Foreign
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ANNIVERSARY
1941 - 1991

Daily Report

East Asia

FBIS-EAS-91-104
Thursday
30 May 1991

Daily Report
East Asia

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Japan

Change in Date of Kaifu's China Visit Studied

OW3005121691 Tokyo NHK General Television Network in Japanese 1000 GMT 30 May 91

[Text] As the date for convening an extraordinary Diet session to discuss political reform and other issues remains fluid, the government will study whether to readjust the schedule of Prime Minister Toshiki Kaifu's visits to China and Mongolia, which have been planned for early August.

In a meeting with four executives of the Liberal Democratic Party [LDP] on 26 May, the prime minister referred to the extraordinary Diet session, which will deliberate political reform and an organization to be used in UN peacekeeping operations, and expressed strong hopes that it will open at an early date.

The government and the LDP have decided to negotiate with opposition parties on opening the session as soon as their bill for poliitcal reform is ready. They are hoping to open the Diet as early as late July.

As a result, it has become necessary for the government to begin examining a readjustment of the dates of the prime minister's visits to China and Mongolia, originally planned for early August.

The government wants to finalize the schedule for Prime Minister Kaifu's visit to China on the occasion of Chinese Foreign Minister Qian Qichen's visit to Japan, which starts on 25 June.

The government plans to readjust the schedule in consultation with the Chinese side, while watching the progress in negotiations between the ruling and opposition parties on a date for the convening of the extraordinary Diet session.

More on Possible Delay in Visits

OW3005144691 Tokyo KYODO in English 1423 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Prime Minister Toshiki Kaifu is likely to delay his visit to China and Mongolia scheduled for early August, possibly to convene an extraordinary Diet session in late July, government sources said Thursday.

The government is considering postponing the visit until mid-August in order to give priority to the extraordinary session, the sources said.

The ruling Liberal Democratic Party (LDP) is expected to make a party decision Friday on the gist of its political reform bill and pave the way for opening a Diet session, possibly in late July, for the bill's submission.

Political analysts view the Diet session as crucial if Kaifu is to maintain his political authority since his two-year term as LDP president will end in October. The LDP president automatically becomes prime minister because the party controls the powerful House of Representatives of the Diet.

Kaifu was scheduled to visit China and Mongolia from July 31 to August 5.

U.S. Renewal of MFN Status for PRC Viewed

OW3005112691 Tokyo KYODO in English 1055 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—The United States will not surpass Japan in its economic ties with China even if Washington continues its preferential trade policy toward the world's most populous country, Japan's top government spokesman said Thursday.

"If the United States wants to renew its Most Favored Nation (MFN) status with China, that is fine. America is not going to provide as much special assistance as Japan," Chief Cabinet Secretary Misoji Sakamoto told a news conference.

"We are far ahead of the United States in terms of aid to China," he said.

Japan is China's leading aid donor, providing 106 billion yen in fiscal 1989.

U.S. President George Bush requested Congress on Wednesday to extend for another year the favorable trade conditions that allow China to export items to the U.S. at lower duties.

But Bush is expected to face a tough time gaining support from lawmakers due to concerns over an allegation of continued human rights violations two years after Beijing suppressed a burgeoning pro-democracy movement.

Sakamoto noted that while other major industrialized powers took a critical stance toward China over its human rights record at last year's economic summit, Japan did not, believing that China should not be isolated.

"Since last year our policy has been to actively promote friendly relations and economic aid," he said.

Japan resumed its yen loan program following last year's summit in Houston, Texas.

Japan and the United States are roughly even in terms of trade with China but Washington does not extend development assistance in keeping with its policy against providing aid to Communist nations.

Japan's two-way trade with China was equivalent to 18 billion dollars last year, according to the Ministry of Finance, while the U.S. Commerce Department says Washington tallied up 20 billion dollars in two-way trade the same year.

The two governments, however, use different criteria for calculating trade figures.

Aid Policy Coordination With U.S. Urged

OW2905154091 Tokyo KYODO in English 1414 GMT 29 May 91

[Text] Tokyo, May 29 KYODO—Japanese and U.S. aid policies are "contentious" and in need of strengthened coordination, a group of experts from both countries said in a policy recommendation report released here Wednesday.

The U.S.-Japan Working Group, a joint project of the Washington-based Center for Strategic and International Studies (CSIS) and the Asia Pacific Association in Tokyo, issued the report.

Its 15 authors expressed concern over the differences in the amounts and types of aid extended by the two countries, warning the situation could have an "adverse political impact on U.S.-Japan relations."

Japan, the report said, provides far greater aid than the U.S. and directs it primarily to large capital projects aimed at building infrastructure in developing countries.

In contrast, the U.S. finances few infrastructure projects through aid, with most of its contributions going to balance of payments support and basic human needs in developing countries, it said.

The report said these differences, coupled with continued bilateral trade friction, " 'tend to reinforce economic polarization within East Asia and a relative decline in the U.S. economic position in the region.

"The U.S. and Japan should increase their data exchange to promote transparency of their respective aid programs," the report said.

It also suggested the Asia-Pacific Economic Cooperation (APEC) forum develop an integrated policy approach for improving the economic infrastructure throughout the region. The report indicated such an approach, which would integrate economic aid, technology transfer, trade, and investment, would reduce tension between the U.S. and Japan if it were to offer liberal procurement opportunities to firms of all countries.

The two nations should launch an initiative within the APEC framework by which aid for infrastructure projects would be completely untied, thus allowing open procedures for bidding on and awarding contracts.

"A larger amount of U.S. aid resources should also be allocated to this joint capital project undertaking," it said.

The report also expressed concern over the possible adverse political impact of Japan and the United States' differing approaches to the centrally planned economies of East Asia—China, Vietnam, Cambodia, Laos, Mongolia, and North Korea.

Noting most of those countries are engaged in a delicate process of transition, the report said policy responses from the United States and Japan, including how the question of aid is dealt with, "can have significant impact on the course of events."

"A jointly developed and implemented U.S.-Japanese response needs to be orchestrated at the bilateral, regional, and multilateral levels," it said.

It said the central policy challenge for the U.S. and Japan in the Asia-Pacific region "is to reinforce positive growth, while avoiding a drift into regional economic blocs."

It called for the institutionalization of APEC and said the 12-member forum should be the "principal vehicle" of Asia-Pacific economic cooperation.

"Our attitude is against any regionalism and blocism," Japanese Co-Chairman and former Ambassador to Australia Yoshio Okawara told reporters in presenting the report. To that end, it is important there be regional cooperation between the U.S. and Japan, and that APEC be given a different status as a real forum for consultation and cooperation," Okawara said.

U.S. Co-Chairman and former Undersecretary of State William Rogers said what is required are organizations which would enhance the beneficial effects of cooperation between the world's two largest economies, "rather than institutions that do not include one or the other."

Construction Talks With U.S. Resumed 30 May

OW3005125591 Tokyo KYODO in English 1226 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Japanese and U.S. trade negotiators, working against a deadline two days away, resumed talks Thursday on the number of Japanese public works projects foreign firms would be allowed to bid on.

The United States has given the Japanese Government until Saturday to work out a settlement on the construction market dispute or face a ban on Japanese construction firms bidding for federally supported public works projects in the United States.

J. Michael Farren, undersecretary of commerce for international trade, sat down with his Japanese counterparts Thursday evening just hours after he arrived from Washington.

It was the second meeting between the two countries on the construction trade issue in a week.

In the previous meeting, also held in Tokyo, the two sides were divided over the number of major public works projects American and other foreign firms would be allowed to bid for under "special measures" as part of the major products agreement concluded in 1988.

Japan has offered about 10 extra projects in addition to the 17 specified in the 1988 accord. The United States has asked for more than 24 projects in addition to the 1988 number.

Japanese and U.S. trade officials have said they hope to work out an agreement during the current round of talks, which Farren described as the "last, last" meeting before he returned to Washington last week.

The meeting, held at the Foreign Ministry, got under way at 8 P.M. with Farren facing Sadayuki Hayashi, director general of the Foreign Ministry's Economic Affairs Bureau, and Masanori Suzuki, director general of the Construction Ministry's Economic Affairs Bureau.

Japanese officials said the talks were open-ended and may continue until Farren leaves Tokyo Saturday.

U.S. Trade Representative Carla Hills announced April 26 that the United States would decide by May 31 (Washington time) on whether to begin retaliatory action against Japan if the U.S. is not convinced that Japan's construction market is sufficiently open to U.S. companies.

U.S. officials say Japanese construction companies are doing 2.5 billion dollars worth of business in the United States whereas, according to Japanese figures, the U.S. firms got 650 million dollars worth of construction-related jobs in Japan in 1990.

Minister Welcomes U.S. 'Fast Track' Decision

OW2405234991 Tokyo KYODO in English 2311 GMT 24 May 91

[Text] Tokyo, May 25 KYODO—International Trade and Industry Minister [MITI] Eiichi Nakao on Saturday welcomed the decision by the U.S. Congress to extend fast track authority for international trade negotiations.

His comment came after the Senate voted in favor of a two-year extension of the procedure, in which congress can only approve or reject trade deals negotiated by the administration of President George Bush, and is unable to amend them.

The Senate vote followed a similar decision by the House of Representatives on Thursday.

In a statement, Nakao said he welcomes the extension of the fast track treatment.

He lauded the efforts of the Bush administration and the members of Congress who supported the move to reach a "decision that makes good sense," despite the complicated political situation in the United States.

Extension of the fast track authority had been regarded as a key to concluding the Uruguay Round of Multilateral Trade talks under the General Agreement on Tariffs and Trade (GATT).

The decision by Congress is widely expected to herald a resumption of serious bargaining in the stalled talks.

Nakao also said in the statement that now that an obstacle to wholehearted negotiations in the Uruguay Round has been removed, GATT member countries should plunge immediately into substantial negotiations.

It is important for Japan to take the initiative in bringing the round to a successful conclusion, thereby making an international contribution, the statement said.

MITI is determined to make stepped-up efforts toward having the talks brought to a successful conclusion as soon as possible, and wants to see them finished by the end of the year at the latest, it said.

Satellite Joint Venture Set Up With U.S.

OW2905134391 Tokyo KYODO in English 1251 GMT 29 May 91

[Text] Tokyo, May 29 KYODO—C. Itoh and Co., a major Japanese trading house, and Nippon Steel Corp. set up a joint venture with California-based Qualcomm Inc. on Wednesday, hoping to create Japan's first mobile satellite communication system, company officials said.

They said the new company, Japan Satellite Message Planning Co., was established to study establishing a two-way satellite data transmission system for moving vehicles in Japan. At present the officials expect to use satellites owned by Japan Communications Satellite Corp. which already are in orbit.

C. Itoh officials said that in the United States more than 15,000 trucks, boats and trains already use the system, which Qualcomm developed and can be used to pinpoint vehicle location.

They said the Ministry of Posts and Telecommunications is expected to approve the system by the beginning of next year and Japan Satellite Message could start operating by July 1992.

The company is capitalized at 100 million yen, with C. Itoh providing 54 percent, Nippon Steel 41 percent, and Qualcomm 5 percent.

It will be based in C. Itoh's main office in Tokyo. Shigeru Miyakawa, formerly deputy general manager of C. Itoh's communications and electronics division, will be its president.

Asian, U.S. Firms Link Up in Retail Business

OW3005130191 Tokyo KYODO in English 1047 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Japan's Seiyu Ltd. said Thursday it has established a network of Asia businesses, in the first of its kind, to exchange information and expand retail business in the fast-growing Asian market.

The Asia Retailers Affiliation Network (ARAN) will exchange operational know-how, engage in merchandising, cooperate in environmental concerns, and promote diversification of business such as supporting exchanges of cultural events and exhibitions, the company said.

Aran will establish a new company, Asia Retailers Affiliation Network and Co., in mid-June in Hong Kong to perform its secretarial function, help exchange retail information, and expand joint businesses of Aran members.

The company, chaired by Sueaki Takaoka from Seiyu, will be capitalized at 9,000 Hong Kong dollars, [figure as received] and owned equally by each of the Aran members.

Aside from Seiyu, participating companies are Wing On Group (Hong Kong), Hero Group (Indonesia), Pasaraya Group (Indonesia), Lion Group (Malaysia), Chinese Automobile Group (Taiwan), C.P. Group (Thailand), Gen of Hawaii Inc. (U.S.), and Familymart Co. (Japan).

Keidanren Urges Liberalization of Rice Imports

OW2505020691 Tokyo KYODO in English 0126 GMT 25 May 91

[Text] Tokyo, May 25 KYODO—The Federation of Economic Organizations (Keidanren) has adopted a resolution calling on the government to liberalize rice imports and take the leadership in multilateral trade negotiations.

At an annual meeting of the Keidanren, Japan's largest business body, on Friday, Chairman Gaishi Hiraiwa said, "It's important for Japan to take the initiative in bringing the Uruguay Round of Multilateral Trade Talks under the General Agreement on Tariffs and Trade to a successful conclusion."

"For that purpose, the rice issue could become Tokyo's trump card, and Japan's decision (to open its market to rice imports) will have no small impact internationally," he said.

Hiraiwa also said the Japanese need to consider how to reorganize agriculture into an internationally competitive industry.

The business leader's remarks follow those in favor of the opening of rice markets made recently by Prime Minister Toshiki Kaifu, former Deputy Prime Minister Shin Kanemaru, and other government and ruling Liberal Democratic Party leaders.

The Keidanren is Japan's first economic organization to adopt a resolution calling for the liberalization of rice imports.

Decision on Partial Rice Liberalization Urged

OW2905152991 Tokyo NHK General Television Network in Japanese 1000 GMT 29 May 91

[Text] Eiji Suzuki, chairman of the Third Ad Hoc Commission on Administrative Reform which serves as the prime minister's advisory panel, met Prime Minister Toshiki Kaifu today, and recommended that he make a decision on liberalizing the Japanese rice market in view of strong demands made by the United States.

Chairman Suzuki said that some people are still under the assumption that liberalization of the rice market could wipe out homemade rice from Japan. He added, however, that there may already be a nationwide consensus on liberalizing the Japanese rice market with an import quota of three to five percent of the whole rice market. After stating the facts, Chairman Suzuki urged Kaifu to make a decision on partial rice liberalization.

In reply, Prime Minister Kaifu noted that the rice issue is an important diplomatic issue. He said that the government will positively work on the issue, taking into account upcoming GATT Uruguay Round negotiations and the London summit of seven industrialized nations.

The Third Ad Hoc Commission on Administrative Reform is currently studying desirable governmental policies for strengthening Japanese farmers. With respect to such agricultural affairs as the rice liberalization issue, the commission is expected to submit the final report to the prime minister as early as mid-June.

Employers' Group Backs Partial Rice Opening

OW2905120891 Tokyo KYODO in English 1132 GMT 29 May 91

[Text] Tokyo, May 29 KYODO—The chairman of the Japan Federation of Employers' Association (Nikkeiren) said Wednesday the government will have to partially lift Japan's rice import ban in order to help bring the Uruguay Round of multilateral trade talks to a successful conclusion.

The call by Nikkeiren Chairman Takeshi Nagano at a press conference is in line with a similar appeal last Friday by the Federation of Economic Organizations (Keidanren) to open Japan's rice market as quickly as possible for the sake of the stalled trade talks.

Key officials of the Liberal Democratic Party [LDP] with close connections with farmers have been urging some LDP members to tone down remarks advocating a partial removal of the rice ban before the London summit in July.

Shin Kanemaru, the Liberal Democratic Party's chief party broker, Takeo Nishioka, the LDP Executive Council chairman, and other LDP members have been calling for the government to soften its stance on liberalization of Japan's rice market.

Nagano's remarks seemed to suggest that he wanted to keep the mood promoting the liberalization of Japan's rice market alive.

Japan's policy of not allowing the entry of a single grain of rice is unwise, he said.

He said the number of rice farmers is decreasing and the government's policy of handing out subsidies to increase the number is intolerable.

He said the rice industry must be streamlined, adding that if domestic farmers could produce rice on a large scale, opposition to the import of rice would "change" significantly. "The production of inexpensive rice shouldn't take that long."

Nikkeiren Vice Chairman Yutaka Kume, who was also present at the press conference, said it was hard to expect the world to accept Japan's ban on rice imports on the grounds of food security.

Farmers To Launch Campaign Against Rice Import

OW3005134991 Tokyo KYODO in English 1307 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—A group of farmers announced Thursday they will begin a nationwide movement aimed at involving one million people against the possible importation of rice.

The Central Union of Agricultural Cooperatives (Zenchu) with an eye on the upcoming London summit of seven major industrialized nations in July, said it will hold meetings June 11-13 under such slogans as "Don't make Japanese rice the victim of the summit," ahead of nationwide action in early July.

It will fight against what it called the manipulation of conventional wisdom by the mass media, and against statements made by businessmen and politicians calling for solving trade frictions by opening up Japan's rice market, officials said.

The farmers added that they will send resolutions calling for the rice market to remain closed to Prime Minister Toshiki Kaifu, cabinet and Diet members, governors, and other local political leaders, as well as opposing business people who call for the rice import ban to be ditched.

Meanwhile, leaders of farmers' unions visited Agriculture, Forestry, and Fisheries Minister Motoji Kondo to request the government continue a total ban on rice imports.

Kondo confirmed that the government has not changed its policy of self-sufficiency in rice production.

Geneva Dairy Trade Talks Reportedly Deadlocked

OW2505053391 Tokyo KYODO in English 0513 GMT 25 May 91

[Text] Tokyo, May 25 KYODO—Trade talks among eight countries and one territory failed to reach agreement on the removal of restrictions on imports of dairy products and cornstarch in Geneva Friday, government officials said Saturday.

Officials at the Agriculture, Forestry and Fisheries Ministry, said that in the meeting Japan repeated its position that liberalizing imports of the products would be difficult at present because of the domestic industry's situation.

In reply, the United States hinted it might have to think of "some kind of actions" to retaliate against Japan's continued import restrictions on the products, the officials said.

Negotiators from the countries, including the United States, Australia, and European nations, ended the meeting by putting off a decision until the next meeting. The talks were held in line with a trade liberalization recommendation in 1988 by the General Agreement on Tariffs and Trade.

U.S. Move To Ban Tuna Products Criticized

OW3005043691 Tokyo KYODO in English 0405 GMT 30 May 91

[Text] Geneva, May 30 KYODO—The Japanese Government criticized the United States for its move to ban Japanese processed foods using Mexican-caught yellowfin tuna, government sources said Thursday.

Washington has imposed a ban on yellowfin tuna imports from Mexico, alleging that Mexican fishing vessels catch dolphins by chance together with tuna.

The U.S. has called on Japan to show that its processed tuna products do not include Mexican-caught yellowfin tuna.

The Japanese Government, at a council meeting of the General Agreement on Tariffs and Trade (GATT) on Wednesday, attacked the U.S. action as "inconsistent with the rules of the GATT."

Japan exports three tons of canned and other processed yellowfin tuna products annually to the United States, with an estimated 10 percent of them using Mexican yellowfin tuna.

Bush Middle East Arms Initiative 'Courageous'

OW3005100991 Tokyo KYODO in English 0959 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Japan welcomed Thursday U.S. President George Bush's new initiative on the selling of arms to the Middle East as a "courageous action."

Chief Cabinet Secretary Misoji Sakamoto told reporters that Bush's initiative indicates the United States is "reflecting on the Persian Gulf crisis... and would like to see strict restrictions on arms agreed to at an international forum."

"The Gulf war stemmed from the export of arms to Iraq and we must reflect on this," Sakamoto said.

Bush announced Wednesday a major initiative aimed at curbing the spread of nuclear, chemical, and biological weapons in the Middle East, as well as ballistic missiles which can deliver them.

Foreign Ministry Spokesman Taizo Watanabe said Japan "earnestly welcomes" Bush's proposals.

Watanabe said Japan regards as a "courageous action" the U.S. President's proposal for the establishment of common guidelines and a consultation system among the five major arms-supplying countries on the transfer of conventional weapons and weapons of mass destruction and missiles to the Middle East.

"Japan expects the initiative will be put into practice quickly by the five countries and deems it important to be strengthened with the participation of other arms-supplying countries," the spokesman said.

The reference was to the United States, the Soviet Union, China, Britain, and France—the five permanent members of the United Nations Security Council.

Bush's initiative follows Prime Minister Toshiki Kaifu's recent call for increased transparency and openness in the international transfer of conventional weapons and for strengthening of the framework for voluntary export restriction by arms-exporting countries.

Kaifu proposed the U.N. establish a registry of arms sales and purchases and said the five permanent Security Council members have a particularly great share of the task of maintaining international peace.

Kaifu on Sending Personnel To Maintain Peace

OW3005013391 Tokyo KYODO in English 0113 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Japan is ready to send personnel overseas to help maintain international peace and order in the post-cold war era, Prime Minister Toshiki Kaifu said Thursday. Japan's international contribution will not be limited solely to financial and material assistance, he told senior officials of the Self-Defense Forces at the Defense Agency headquarters.

The prime minister praised the task force of minesweepers from the Maritime Self-Defense Force which is now ready to help clear mines laid by Iraq in the Persian Gulf, saying it is significant for Japan to contribute to the international community in this way.

On the role of the United Nations following the end of the Cold War, Kaifu said Japan will make joint efforts with other UN member countries to boost the organization's authority and functions. He said this would help check similar aggression to that by Iraq against Kuwait.

Touching on Japan's relations with other Asian and Pacific countries, Kaifu said it is very important for Japan to help promote a relaxation of tension in the region.

Japan will build up an appropriate and moderate defense capability as a way of contributing both to its own peace and security and that of Asia as a whole, Kaifu said.

He said Japan will never be a major military power, and will adhere to its exclusively defensive stance, civilian control over the military, Japan-U.S. Security Treaty, and the three nonnuclear principles of not making, possessing, or allowing entry into the country of nuclear weapons.

Kaifu said it is essential for Japan to maintain its partnership with the United States in order to help construct a new international order.

Foreign Minister Leaves for Middle East, Europe

OW2505071991 Tokyo KYODO in English 0604 GMT 25 May 91

[Text] Tokyo, May 25 KYODO—Foreign Minister Taro Nakayama left Tokyo Saturday to visit the Middle East to explore ways Japan can contribute to the region and then goes to Europe for international meetings.

Nakayama will visit Iran, Egypt, and Israel from May 27 through June 1 after meeting German Foreign Minister Hans-Dietrich Genscher in Bonn Sunday.

Nakayama also will attend ministerial meetings of the International Energy Agency (IEA) in Paris June 3 and the Organization for Economic Cooperation and Development, also in Paris, June 4-5.

He will return home June 8 after attending a disarmament conference in Geneva June 6 and a foreign ministerial meeting with the European Community in Luxembourg June 7.

Corporal Fired Because of Minesweepers Protest

OW2705075391 Tokyo KYODO in English 0655 GMT 27 May 91

[Text] Tokyo, May 27 KYODO—The Defense Agency said Monday it has dismissed a lance corporal who allegedly attempted to break into the office of the defense minister and deliver a letter protesting against the dispatch of minesweepers to the Persian Gulf.

Yasuyuki Fujio, 24, lance corporal in the ground Self-Defense Force [SDF], together with a sergeant second class and a former SDF member, visited the office of Defense Agency Director General Yukihiko Ikeda on April 25.

Military police arrested the three men on the spot after they were involved in a scuffle with guards.

The Defense Agency said it has not yet taken disciplinary action against the sergeant.

The government of Prime Minister Toshiki Kaifu last month sent a task force of four minesweepers and two support ships to the Persian Gulf, the first overseas deployment of Japanese Forces since World War II.

The fleet reached Dubayy in the United Arab Emirates on Monday and will soon begin to sweep mines laid by Iraq during the Gulf crisis, officials said.

Government Wins Case on Kadena Air Base Land

OW3005045291 Naha NHK Television in Japanese 0315 GMT 30 May 91

[Excerpts] The Naha Branch of the Fukuoka High Court today handed down a ruling on an appeal by former landowners of land forming part of what used to be the Kadena Airport, and the present Kadena Air Base, which was expropriated by the old Japanese Army during the Pacific war, on a lower court decision on a case involving the claim of the landowners that they never sold the land to the state and their request to confirm their ownership of the land. The ruling upholds the lower court decision and rejected the plaintiffs' appeal.

This case involves 480,000 square meters of land located in the then Chatan Village and present Kadena Town forcibly confiscated by the old Japanese Army to build the Kadena Airport in 1944 during the Pacific war. It was filed by 123 former landowners from Kadena Town against the Japanese Government in 1977. According to the plaintiffs, the transfer of ownership of the land in question, which is now state-owned land, occurred without any deed of sale or monetary compensation. They claimed that the land belongs to them and demanded that the government pay military land fees due on the land presently being used by the U.S. forces as a runway on Kadena Air Base. The defendant, the Japanese Government, argued that the land was bought by the state under deeds of sales and the corresponding payment had been made. Documents showing the state's purchase of land for airport construction in Miyako and Yaeyama during the same period were presented as evidence and the government claimed that similar procedures had certainly been taken in Chatan Village at that time.

The Naha District Court handed down its verdict on the first trial in July 1985 fully affirming the state's claim and rejecting the plaintiffs' case. Subsequently, the plaintiffs, who objected to the ruling, appealed to a higher court.

The verdict was handed down today at 1100 AM at the Naha Branch of the Fukuoka High Court. Chief Justice Kenji Nishikawa ruled that no evidence had been presented to prove the plaintiffs' ownership of the land. The fact that the state bought land in Miyako and Yaeyama could possibly be proof [as received] that there had also been deeds of sales covering the land in question on Kadena Air Base. He upheld the ruling in the first trial and rejected the plaintiffs' appeal. The court procedure today in which the ruling was handed down lasted only 13 minutes. [passage omitted]

In connection with today's court ruling, the Defense Facilities Administration Agency, which provides land to the U.S. military forces, commented that the government's claims have been affirmed and that the verdict was a just one.

Doubling Insurance Considered for USSR Trade

OW3005141091 Tokyo KYODO in English 1348 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—The Ministry of International Trade and Industry (MITI) is considering doubling the insurance premium rate for trade with the Soviet Union due to concern over mounting unsettled import bills, government sources said Thursday.

The Soviet Union, suffering from considerable shortages in foreign currency reserves, has delayed payment for its imports, causing some European countries to consider stopping insurance for trade with the country.

MITI's move reflects this attitude, the sources said, adding the ministry has already informed major trading companies of the plan.

Previously, MITI has automatically granted insurance for trade with the Soviet Union but will now examine it separately from other countries.

Factors like whether or not the Soviet Foreign Trade Settlement Bank has issued a letter of credit for a particular transaction will be checked, the sources said.

The ministry plans to introduce stricter conditions in granting insurance, especially for cases with a settlement period of two years or more and when the amount of money involved exceeds 500 million yen.

Even if the settlement period is shorter, those involved with more than 100 million yen might be regulated, the sources added.

In addition, insurance payments in case of an accident would be reduced. For ordinary trade insurance, the payment will be 80 percent of the losses instead of the current 90 percent.

The Soviet Union has faced increasing difficulties in international trade recently. Its imports have declined sharply, with those from Japan plunging 45.1 percent during the January-April period this year from a year earlier.

Canada's Mulroney on Stronger Economic Ties

OW2905153691 Tokyo KYODO in English 1402 GMT 29 May 91

[Text] Osaka, May 29 KYODO—Canadian Prime Minister Brian Mulroney said Wednesday his country will set up consulates in Fukuoka and Nagoya.

Speaking at a dinner at an Osaka Hotel, Mulroney said Canada hopes to expand ties with Japan, Canada's second-largest trade partner.

Canada hopes to strengthen economic ties with economic communities outside Tokyo and proceed with joint ventures and investment projects in outlying areas of Japan, he said.

His country plans to establish a consulate in Fukuoka this year, creating Canada's third diplomatic mission in Japan after Tokyo and Osaka, and in Nagoya next year, he said.

Mulroney said Canada also will set up honorary trade representive offices in Sapporo, Sendai, and Hiroshima.

During his talk, he also indirectly called for Japan to make concessions on rice imports, saying Japan should take the lead in resolving an impasse on the farm trade in international trade talks. Japan currently bans imports of rice.

Mulroney, who arrived in Japan Sunday for a six-day visit, will return to Tokyo, attend a luncheon given by Prime Minister Toshiki Kaifu and hold a press conference Thursday.

He will leave Japan Friday after a court luncheon hosted by Emperor Akihito.

'Not Prepared' To Visit China

OW3005100591 Tokyo KYODO in English 0951 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Canada understands Japanese Prime Minister Toshiki Kaifu is under strong pressure to visit China after the G-7 summit in London, but Canada is not prepared to follow suit, Canadian Prime Minister Brian Mulroney said Thursday.

Asked at a Tokyo press conference if he supported Kaifu's planned visit to Beijing in August, Mulroney said he would "perhaps not find it inappropriate," given the pressure on Japan from China to resume normal relations in the aftermath of the Tiananmen Square massacre.

Western leaders have refused to make official visits to China since the shooting of unarmed pro-democracy demonstrators in Beijing on June 4, 1989. Kaifu would become the first member of the annual economic summit countries to make the trip.

Mulroney did not express outright criticism of Kaifu's decision, saying he would neither make a trip to China soon, nor invite Chinese Premier Li Peng to Canada.

"We have no prime ministerial visits in mind in Canada," he said.

Apart from a long-standing disagreement on Japanese tariffs on Canadian softwood lumber exports, the prime ministers' opposing views on visits to China appeared to be the only major sign of division.

Mulroney said he will continue to press for removal of an 8 percent Japanese tariff on Canadian spruce, pine and fir lumber.

He also said he will press for more Japanese investment in Canada, and expanded trade and political relations between the two countries.

But after at least three meetings with Kaifu since Monday, Mulroney said he was impressed that Canada and Japan agreed on the need for arms control, a successful conclusion of global trade talks, and a greater role for Japan in the international political arena.

Mulroney said that Canada would not engage in "Japan-bashing," and made a slight criticism of countries which attacked Japan in order to disguise their own problems.

He also praised Kaifu for his "full and genuine apology" to Canadians who had suffered as Japanese prisoners of war during World War II.

"It was a true mark of reconciliation and of an international statesman," Mulroney said, referring to Kaifu's public apology Tuesday to 600 former Canadian servicemen and women and to 200 widows of Canadian war dead.

Touching on his six-day visit to Japan which ends Friday with a court luncheon with Emperor Akihito and Empress Michiko, Mulroney said he has achieved the intended goals of his Japan trip.

The Canadian premier, who visited Hong Kong before Tokyo and Osaka, said he wanted to underscore Canada's role as a Pacific nation, to promote Canadian trade and investment, and persuade Japanese business to invest in Canada.

He also said he wanted to consult Kaifu on the G-7 summit, and support a leadership role for Japan to end the impasse in global trade talks under the General Agreement on Tariffs and Trade (GATT).

"I think we accomplished those goals and strengthened relations with Japan," said Mulroney, who flies to Ottawa on Friday afternoon.

EC's Jacques Delors Leaves Tokyo for Home

OW2505051691 Tokyo KYODO in English 0458 GMT 25 May 91

[Text] Tokyo, May 25 KYODO—European Community (EC) Commission President Jacques Delors left here Saturday for home after a four-day visit to Japan.

While in Japan, Delors held two rounds of talks with Prime Minister Toshiki Kaifu and met other Japanese political and economic leaders.

Lawmakers 'Concerned' About France's Cresson

OW2905041491 Tokyo KYODO in English 1441 GMT 28 May 91

[Text] Tokyo, May 28 KYODO—Newly appointed French Prime Minister Edith Cresson, who has been portrayed by the Japanese media as a harsh critic of Japan, is "no tiger," a French politician said here Tuesday.

"Mrs. Cresson is not a dragon nor a tiger. What she wants is for France to be competitive," Alain Pomidou told a news conference at the close of the 12th European Community (EC)-Japan parliamentarians meeting.

The EC parliamentarian's remarks followed a question posed to former Foreign Minister Tadashi Kuranari, head of the Japanese delegation, on why Japan appears to be so nervous about France's new prime minister.

Cresson, known for her criticism of Japanese trade practices, has accused Japan of trying to "conquer the world."

Bernhard Salzer, chairman of the European parliament delegation, said he received several inquiries about Cresson during the annual parliamentarians meeting from concerned Japanese lawmakers, but that he advised them not to worry.

Policies of individual government's are less significant now that the European parliament handles 80 percent of external trade legislation for the European Community, he said.

Salzer added that after a unified market is achieved next year, the parliament will have the final say on all EC trade pacts.

Kuranari told the news conference that Japanese are not necessarily afraid of Cresson, but some are wary of the "very strong, rigid and tough" measures her government may take.

As long as Cresson obtains a "sufficient understanding" of Japanese policies there should be no problem, he added.

USSR's Petrovskiy Sees Era of 'Pax U.N.'

OW2705131491 Tokyo KYODO in English 1239 GMT 27 May 91

[Text] Kyoto, May 27 KYODO—Soviet Vice Minister of Foreign Affairs Vladimir Petrovskiy said Monday that an era of "Pax United Nations" may be emerging from the ravages of the Persian Gulf War.

In Kyoto to address the U.N. Conference on Disarmament Issues, Petrovskiy welcomed the "completely new political environment" free of east-west ideological confrontation at the four-day forum.

He stressed that recent events have underlined the importance of "multilateralism" in international affairs, especially in dealing with disarmament issues.

Petrovskiy said the world now faces the opportunity for "all nations" to enter into talks covering "all weapons."

He hailed the end of Soviet-American confrontation in the U.N., saying it marks the beginning of an era of "Pax U.N."—or global peace overseen by the United Nations.

James Schear, consultant to the U.N.'s Department for Disarmament Affairs, added later the idea of a "Pax U.N." is much different from earlier notions of "Pax Britannica" or "Pax Americana."

The idea of "Pax U.N." is to speak of a "broad consensus among members of the United Nations" which would be much different than a global power imposing a sense of peace around the world, he said.

Petrovskiy, who attended the first Kyoto conference in 1989, praised the first-day presentations, especially an opening address by Prime Minister Toshiki Kaifu, who called for stricter controls on international arms transfers.

Nearly 100 disarmament experts and critics are participating in a candid exchange of opinions on challenges to disarmament in the post-cold war and post-Gulf war situation.

Disarmament Conference on 'Peace Dividend' Loss

OW2905135291 Tokyo KYODO in English 1315 GMT 29 May 91

[Text] Kyoto, May 29 KYODO—The so-called post-cold war "peace dividend" runs the risk of being consumed by the costs of verifying disarmament agreements or converting military industry to civilian use, participants at a U.N.-sponsored disarmament conference said Wednesday.

The participants, emerging from daylong closed committee sessions, expressed concern that the predicted savings from military reductions following the cold war may be lost to the expense of disposing of obsolete weapons and military hardware or monitoring arms conventions.

Swadash Rana, U.N. Department of Disarmament Affairs Monitoring coordinator, cautioned, however, that this should not deter nations from seeking disarmament and peace.

"People should not be made to feel that peace by itself is not a dividend, and that the costs of disarmament should not make people think disarmament by itself is not a dividend," Rana told reporters at a press briefing following the meetings in Kyoto.

Still, the costs of turning back decades of cold war-driven arms buildup are formidable.

Rana said a participant suggested at one of the meetings that converting a single Soviet military factory may cost 60 billion rubles before it even begins to produce civilian goods.

Alan Shaw, manager of the International Security and Commerce Program Office of Technology Assessment for the U.S. Congress, summarized the costs of disarmament in his paper to Rana's committee.

He pointed to the costs of converting or disposing of weapons, economic dislocations arising from reduced military spending, and monitoring of compliance.

Committee members were told that 400-500 man-hours may be required to destroy a single tank, but that some of the costs might be offset by the sale of scrap metal.

Chemical weapons, which need to be disposed of carefully, will actually cost more to destroy in a safe manner than to make.

Participants challenged as irrelevant a paper presented by Isamu Miyazaki, chairman of the Daiwa Research Institute, in which he explained the conversion of two Japanese firms—Mitsubishi Heavy Industries Ltd. and Hitachi Ltd.—from military to civilian production following World War II.

The committee members did not think that the "peculiar circumstances" surrounding the successful Japanese conversion could be applied to the current attempts, said Rana. Some participants considered Japan's current advantage in some industries has instead complicated conversion elsewhere, she said.

Rana also said her committee was concerned that some obsolete weapons may be dumped on the Third World, rather than being destroyed.

Johan Nordenfelt, chairman of the discussion on arms proliferation and disarmament issues, said his committee noted that a "proliferation of verification measures" to arms conventions threatens to consume entirely the peace dividend.

Nordenfelt said his committee generally agreed the dynamics of the nuclear arms race had dissipated, but nations are now confronted by "residual nuclear arms."

Prvoslav Davinic, chief of the U.N. Disarmament Monitoring, Analysis and Studies Branch, said his committee agreed that some disarmament was best pursued globally, like the chemical arms convention.

Other types of disarmament are implemented faster regionally, but Davinic said regional measures had to emerge within the region rather than be imposed from outside, since regions have their own unique considerations.

Tokyo Hopes UN Seat for DPRK To Boost Ties

OW2905042191 Tokyo KYODO in English 1435 GMT 28 May 91

[Text] Tokyo, May 28 KYODO—Japan said Tuesday it hopes that a planned simultaneous entry to the United Nations by the two Koreas will lend impetus to Tokyo's efforts toward normalizing its ties with Pyongyang.

"The Government of Japan regards North Korea's agreement to simultaneous membership as a plus factor in promoting the negotiations for normalizing the relations between North Korea and Japan," chief cabinet Secretary Misoji Sakamoto said in a statement.

The statement called attention to the fact that Japan urged North Korea during recent bilateral talks in Beijing to drop its demand for a single U.N. seat to be shared by the two Koreas.

He also said Japan hopes the decision will lead North Korea to eventually agree to international inspection of its nuclear facilities and promote inter-governmental dialogue between Seoul and Pyongyang.

Prime Minister Toshiki Kaifu welcomed North Korea's decision to apply for its U.N. membership.

"It is a positive step for all nations to join the U.N.," Kaifu said when asked to comment on a report that North Korea plans to apply to enter the world body separately from South Korea.

Meanwhile, Japan's four major opposition parties issued statements hailing North Korea's decision to seek a separate U.N. seat.

MITI Urges ROK To Withdraw Chinaware Ban

OW2905143491 Tokyo KYODO in English 1324 GMT 29 May 91

[Text] Tokyo, May 29 KYODO—The Ministry of International Trade and Industry (MITI) will take measures to help the Japanese chinaware industry after a recent South Korean decision to impose a virtual import ban on Japanese porcelain and pottery, a MITI source said Wednesday.

Seoul recently added Japanese chinaware exports to the list of imported products that are subject to a virtual import ban, a step aimed at slashing the trade deficit with Japan.

The move is expected to deal a severe blow to the Japanese chinaware industry, mostly located in central Japan, called the Chubu region, around Nagoya City.

MITI has called on the South Korean Government to scrap the move, claiming it may violate the General Agreement on Tariffs and Trade (GATT).

But as Seoul shows no signs of reconsidering, MITI's Chubu Bureau has decided to provide assistance to the local china industry, the source said.

The South Korean Government has imposed such a virtual ban on some 300 items since 1980.

Seoul added six items, including coffee cups, saucers, and tea cups, to the list from May 13.

Japan's exports of porcelain and pottery to the country amounted to 3.96 billion yen in 1990, accounting for about 20 percent of Japan's total exports of china, according to the Japan Pottery Exporters' Association.

Japanese imports of South Korean chinaware, on the other hand, totaled only 320 million yen.

An official of an association of local makers in Yokkaichi City, Mie Prefecture, of so-called Banko Yaki china, which is often used for earthen pots, an item in large demand in South Korea, said there are a number of small makers that will be affected by the import ban.

The organization has decided to seek assistance from the local government and MITI.

A maker of tea and coffee cups made of Mino Yaki china in Tajima City, Gifu Prefecture, said "We were very shocked since exports to South Korea was on a steady rise."

He said he is considering a cut in production.

19 SRV Boat People Suspected Chinese Nationals

OW2505142191 Tokyo KYODO in English 1215 GMT 25 May 91

[Text] Nagasaki, May 25 KYODO—A small wooden boat arrived at a fishing port in northern Nagasaki Prefecture on Saturday with 19 boys and men on board who said they are from Vietnam.

But police suspect that they may be Chinese hoping to win entry to Japan by posing as Vietnamese refugees.

Police said they plan to turn over the boat's passengers, ranging in age from 13 to 28, to the Fukuoka Immigration Office on Sunday.

A man who speaks English told police the group left Danang, Vietnam, on May 5 and stopped in Taiwan before coming to Japan on the 10-ton boat.

Since May last year, a series of boats bearing Chinese claiming to be Vietnamese refugees have arrived in Nagasaki Prefecture.

The adult members of a group of 24 Chinese who arrived in western Nagasaki Prefecture in February posing as Vietnamese were found guilty in April of violating immigration laws.

Boat People Handed to Immigration

OW2605130791 Tokyo KYODO in English 1222 GMT 26 May 91

[Text] Nagasaki, May 26 KYODO—Nineteen boat people who speak Vietnamese were delivered to the Fukuoka immigration office Sunday for hearings on whether they are genuine refugees, immigration officials said.

The boat's passengers, ranging in age from 12 to 27, were found anchoring their small ship at a fishing port in northern Nagasaki Prefecture Saturday.

A leader of the group told police Saturday that they left Da Nang, Vietnam, May 5 and stopped in Taiwan before coming to Japan on the 10-ton boat.

Immigration officials said they will send the boat people to a reception center for refugees in Omura, Nagasaki Prefecture, after the hearings.

Since May last year, a series of boats bearing Chinese claiming to be Vietnamese refugees have arrived in Nagasaki Prefecture.

Firms Cautious About Expanding Into RSA

OW2805102791 Tokyo KYODO in English 0859 GMT 28 May 91

[Text] Johannesburg, South Africa, May 28 KYODO—Japanese corporations are cautious about expanding into South Africa mainly because they are uncertain about the country's political situation, a survey by KYODO News Service has revealed.

According to the survey, only two out of 14 companies polled said they are considering expanding business in the African nation.

The survey covered 30 trading and manufacturing companies with branches and representative offices in South Africa.

Twelve of the 14 firms expressed anxiety over the ability of the local majority of black people to manage the country's politics and economy and the possibility of racial antagonism, the survey said.

South African President Frederik Willem de Klerk's decision to abolish key apartheid racial discrimination laws by the end of June has prompted the Japanese Federation of Economic Organizations (keidanren) to call for the lifting of economic sanctions against Pretoria.

The survey showed that seven companies said they would examine expansion of their operations after the sanctions have been removed.

The poll also showed that most Japanese firms expressed the view that Japan can contribute to economic growth in South Africa by transferring technology and training skilled black engineers.

Italian Foreign Minister Leaves for Home 26 May

OW2605074291 Tokyo KYODO in English 0658 GMT 26 May 91

[Text] Tokyo, May 26 KYODO—Italian Foreign Minister Gianni de Michelis left Japan Sunday, winding up a four-day visit.

De Michelis met with Japanese Foreign Minister Taro Nakayama Friday for a regular Japan-Italy ministerial conference.

Komeito Withdraws Previous SDF Proposal

OW2405222391 Tokyo NHK General Television Network in Japanese 1000 GMT 24 May 91

[Text] Today Komeito held its first meeting to discuss the establishment of a new organization to cooperate in UN peacekeeping operations. The meeting agreed to withdraw the party's previous proposal that Self-Defense Forces [SDF] personnel should be eligible to join this organization only after separation from the SDF. The party decided to make a decision on this issue by August.

At today's meeting, Komeito noted changes on both the domestic and international front, including the end of the Gulf war and the dispatch of Japanese minesweepers to the Gulf. Given these developments, the party decided to withdraw its previous policy on limiting participation of SDF personnel in the new organization to those who have left the SDF.

Regarding the question of whether SDF personnel should be allowed to participate in the new organization, some members pointed out at today's meeting that SDF personnel should be allowed to participate. But others said only civilians should take part in the proposed organization. They agreed at the meeting that the party should decide on this question by August of this year.

Komeito Head Urges Debate on SDF Operations

OW2805121191 Tokyo KYODO in English 0847 GMT 28 May 91

[Text] Tokyo, May 28 KYODO—Komeito Chairman Koshiro Ishida called on party members Tuesday to debate about using Japan's Self-Defense Forces (SDF) in U.N. peacekeeping operations.

Speaking at a meeting of the central executive committee, the leader of the second largest opposition party said it is time to seriously discuss the role and function of the SDF.

Ishida said the view that the SDF should contribute to the international community to some degree has been growing in the party.

He urged party members to reach some conclusions on the matter by the time of the party convention scheduled for November.

The ruling Liberal Democratic Party, Komeito, and the Democratic Socialist Party agreed last November to set up a new corps to assist U.N. peacekeeping activities, separate from the SDF.

Komeito has previously maintained that the party would allow the participation of retired SDF personnel in the new corps but would reject the participation of SDF members on active service.

However, the party reversed its position on the issue at a meeting last Friday and decided to seek ways of using the SDF for U.N. peacekeeping operations.

On the issue of rice imports, Ishida said it is inevitable that Japan partially liberalize its rice market. Japan should play a leading role toward a conclusion of the Uruguay Round of multilateral trade talks and establish domestic measures to prepare for a partial liberalization of rice imports, he said.

Sakamoto: Extraordinary Diet Not Until Aug

OW2505135491 Tokyo NHK General Television Network in Japanese 1000 GMT 25 May 91

[Text] Chief Cabinet Secretary Sakamoto today gave a news conference at Kyoto where he was visiting to attend a national tree planting event, and indicated that an extraordinary Diet session will not open until August. Speaking about the timing of convening a Diet session to discuss political reform and other issues, he said that it will take some time for an agreement to be reached on this within the Liberal Democratic Party [LDP].

He said the cabinet wants the extraordinary session to resume as soon as possible, but added that before the session opens, people concerned have to complete bills on political reforms and on an organization to participate in UN peacekeeping operations.

It will take some time for the LDP to get a consensus on these matters, he said. Prime Minister Kaifu's diplomatic schedule also needs to be taken into account.

Regarding the timing of the extraordinary Diet session, Chief Cabinet Secretary Sakamoto has so far indicated that July is the most desirable. However, his remarks today indicate that there is no alternative but to open the session during or after August in light of the time needed to adjust the views on political reform within the LDP and allow for Prime Minister Kaifu's schedule to visit China and Mongolia early in August.

In regards to the ending of Mr. Kaifu's term as president of the LDP in October this year, he said that Mr. Kaifu is not thinking about what he will do after the term has expired, and that he will do his best to implement what he promised in the [party] platforms while serving out his term. He is thinking about nothing else, Mr. Sakamoto said. He thus emphasized the Kaifu cabinet's stand right now is to concentrate its efforts only on solving pending issues.

LDP To Seek Early Diet Session on Reform

OW2905143291 Tokyo NHK General Television Network in Japanese 1000 GMT 29 May 91

[Text] Keizo Obuchi, secretary general of the Libaeral Democratic Party [LDP] said today that, once the LDP finalizes the outlines of its party reform bill, it will immediately start working with the opposition to determine when an extraordinary Diet session should open. He made the remark at a news conference in Maebashi, Gunma Prefecture, which he visited to attend a party held in celebration of his inauguration as the LDP secretary general.

Obuchi said that Prime Minister Kaifu wants to convene the extraordinary Diet session as soon as possible if the LDP approves of the political reform bill. He said that, on the party's approval of the bill, the LDP will propose the opposition parties hold a general secretary-level meeting to ask for their cooperation in seeking an early Diet session.

Secretary General Obuchi stressed the party's intention to start discussions with the opposition to determine when the extraordinary Diet session should be convened, if the outlines of the political reform bill are approved by the LDP Executive Council at the next meeting, scheduled for this coming Friday.

LDP Panels Approve Draft Bill on Reform

OW3005082291 Tokyo KYODO in English 0738 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Two committees of the governing Liberal Democratic Party (LDP) endorsed Thursday a draft bill to revamp electoral constituencies and clamp down on political corruption.

The draft bill was presented for endorsement earlier in the day to a joint meeting of the LDP's Political Reform Committee headed by former Foreign Minister Masayoshi Ito and the Electoral System Committee chaired by former Agriculture, Forestry and Fisheries Minister Tsutomu Hata.

The presentation capped the LDP's two-year debate on how to reform the nation's politics following the 1988 Recruit stocks-for-favors scandal, which triggered a public outcry, the resignation of former Prime Minister Noboru Takeshita and several cabinet ministers, and cost the ruling party a severe setback in upper house elections in 1989.

The draft bill was compiled by two task forces appointed by the committees.

"Our party pledged to reform politics in response to public anger over the Recruit scandal and made the political reform issue the election promise during the 1989 upper house election, the 1990 general election, and nationwide local elections this year. We must carry out our promises with firm resolve," Ito told the committee members.

Under the proposed bill, the number of seats in the House of Representatives would be reduced to 471 from the present 512. It proposes that 300 of the 471 members of the lower house be elected from single-seat constituencies and the remaining 171 through the proportional representation system.

It also recommends that the government provide subsidies totaling 30 billion yen from the national coffers to political parties to deflect public criticism that the current system of bankrolling electioneering is a major cause of political corruption.

The subsidies would be distributed in proportion to the number of parliamentarians of each political party and the number of votes garnered by the party.

The LDP plans to forward the draft bill to the government after it is formally adopted by the party's Policy Affairs Research Council and the Executive Council, LDP sources said.

The government will review it and submit its final version of the bill, possibly by the end of June, to the Diet for parliamentary scrutiny and endorsement after receiving concrete proposals from a government-appointed panel on how to restructure lower house constituencies, the sources said.

Opposition parties had expressed fears that the earlier proposals by the government panel on redrawing constituencies might amount to gerrymandering that would give special favor to the ruling party.

The draft recommends that the number of government-registered personal support organizations for soliciting political donations be curtailed to two for each politician. It stopped short, however, of proposing that politicians should be obliged to make public the amount of political donations collected through these two support bodies.

Instead, it recommends that only political donations exceeding 10,000 yen collected through unregistered support organizations be made public. There are no proposed curbs on the number of such unregistered support organizations.

The draft also proposes that any one individual or employee of a business firm be barred from contributing more than 1.5 million yen to a political party through the purchase of political fund-raising party tickets on one occasion.

As for donations to particular politicians, the draft recommends that any one individual or employee of a business firm should not be allowed to contribute more than 1 million yen at a time through the purchase of such party tickets.

The draft bill also recommends making it legally obligatory for political organizations to make public on December 31 every year documents detailing their acquisitions of assets such as land, property, stocks, and loans exceeding 1 million yen.

During the Recruit scandal, it became known that senior politicians clandestinely acquired bargain-priced shares of Recruit Cosmos Co., which doubled in value after the company's shares went public.

Obuchi on Method of Selecting Next President

OW2705165791 Tokyo KYODO in English 1435 GMT 27 May 91

[Text] Tokyo, May 27 KYODO—Liberal Democratic Party (LDP) Secretary General Keizo Obuchi said Monday the party's next president should by elected rather than chosen through back room bargaining among faction leaders.

The LDP presidency carries with it the post of prime minister, since the party enjoys a stable majority in the powerful House of Representatives.

Kaifu's current two-year term expires in late October.

Although it is not yet clear whether the next LDP president should be chosen through a consensus of party elders or a party-wide poll, Obuchi said party members seem to prefer a wide open contest.

The secretary general made his views known at a meeting in Tokyo of KYODO NEWS SERVICE subscribers.

Obuchi also said the party's next leader should be a statesman of ability. He should also enjoy popular support at home, he said.

But he said popularity should not dominate the party's list of presidential qualifications, despite calls within the LDP for a new generation candidate who might capture the public's imagination.

Presidential hopefuls include 70-year-old former Finance Minister Kiichi Miyazawa and former Policy Affairs Council Chairman Michio Watanabe, who is 67.

Former Finance Minister Ryutaro Hashimoto, who is in his 50s, is also in the running.

Although it is not yet clear whether Kaifu will seek reelection this autumn, Obuchi said he would not dismiss the possibility.

He said Kaifu's determination to carry out political reform may enhance his stature and chances of remaining as party leader.

Meanwhile, Watanabe, who leads the party's fourth largest faction, said earlier in the day he will run for president if an open election is held.

LDP Plans To Hold Leadership Election in Oct

OW2805082691 Tokyo KYODO in English 0739 GMT 28 May 91

[Text] Tokyo, May 28 KYODO—The Liberal Democratic Party (LDP) will hold its presidential election in late October as originally scheduled, one of its top officials said Tuesday.

LDP Secretary General Keizo Obuchi said senior party officials have approved holding the election in October in accordance with party regulations.

The party officials had been considering a proposal by LDP Diet Affairs Committee Chairman Seiroku Kajiyama to move the election forward to September in order to facilitate the compilation of a national budget for fiscal 1992.

Prime Minister Toshiki Kaifu had rejected the proposal, saying the date of the presidential election should not be changed as party rules stipulate the LDP hold the election in October every two years.

On Tuesday, Kajiyama, a senior member of the party's largest faction founded by former Prime Minister Noboru Takeshita, said he would abide by the decision.

He said, however, that the next presidential election should be held at least three months before the regular Diet session opens and requested the party to consider changing the schedule.

The LDP presidency carries with it the post of prime minister as the party has a stable majority in the house of representatives.

Kaifu's two-year term of office as LDP chief expires on October 30.

SDP Chairwoman Hints at Possible Resignation

OW2505105491 Tokyo KYODO in English 1027 GMT 25 May 91

[Text] Chicago, May 25 KYODO - Takako Doi, chairwoman of Japan's largest opposition group, the Social Democratic Party (SDP), hinted Saturday that she may resign to take responsibility for the party's setback in April's nationwide local elections.

Doi, asked about persistent calls by some party members for her to stay in office, said, "it is strange to ask me to retain the party's top post. It is I who was defeated in the unified local elections in April."

Doi made the comment to reporters accompanying her on a nine-day tour of the United States, made at the invitation of former U.S. Ambassador to Japan Mike Mansfield.

She also denied the possibility that she would seek reelection as leader of the SDP after once offering her resignation.

Doi, however, did not make any clear comment on the timing of her possible resignation. Her term in office expires in December.

The SDP plans to hold an extraordinary two-day convention in Tokyo in late July to discuss measures to rebuild the party following its election defeat.

A panel headed by Vice Chairman Makoto Tanabe is drawing up a party reform plan to prepare for the summer 1992 House of Councillors elections.

Doi expressed her resolve to do her utmost for party reform, saying it is her responsibility to lay the groundwork for renovation of the party.

SDP Chairwoman Doi Returns From U.S.

OW2605070891 Tokyo KYODO in English 0650 GMT 26 May 91

[Text] Tokyo, May 26 KYODO—Social Democratic Party [SDP] Chairwoman Takako Doi returned home Sunday afternoon from a nine-day visit to the United States.

While in the U.S., Doi spoke at the University of Montana in Missoula and at a meeting of the U.S.-Japan Society in Chicago.

SDP Fails To Reach Agreement on SDF Bill

OW3005102691 Tokyo KYODO in English 1001 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—The Social Democratic Party (SDP) failed to reach agreement Thursday on its own bill on Japanese participation in U.N. peacekeeping operations, party offficials said.

The largest opposition party discussed the bill, compiled by its project team Wednesday, at a meeting of the Central Executive Committee.

Committee members said the SDP's plan is still rough and it differs widely from the bill drawn up by the ruling Liberal Democratic Party, Komeito, and the Democratic Socialist Party, according to the party officials.

The SDP's bill calls for the creation of an international peace cooperation corps which would engage in only nonmilitary fields.

The corps would include retired personnel of the Self-Defense Forces (SDF) but exclude SDF members on active service.

The LDP and the two centrist parties are planning to create a unit which would include SDF personnel who would be given a leave of absense from duty.

MITI To Allow Refineries To Boost Capacity

OW2705133091 Tokyo KYODO in English 1227 GMT 27 May 91

[Text] Tokyo, May 27 KYODO—The government will allow Japanese oil refiners to boost their capacity for primary processing crude oil for the first time in 18 years, a source at the Ministry of International Trade and Industry (MITI) said Monday.

The move was prompted by the prospect of a tightening supply-demand balance of oil products like naphtha, partly due to the volatility of the international market, the source said.

The Agency of Natural Resources and Energy will allow refiners to increase the daily processing capacity by 200,000-300,000 barrels from the second half of 1991.

The step will represent a turnabout of the government's long-standing policy of trimming domestic oil refinery capacity.

The agency had stopped permitting capacity increases in 1973, and has required Japanese refiners to pare down their capacity since 1987.

That has resulted in a reduction in the capacity of 1.4 million barrels per day.

But the recent volatility in the international market for oil products, especially imports from the Middle East region, combined with the prospect of growing demand in the Pacific-Rim region has forced the government to reconsider its stance.

It has been estimated that there will be a shortage of oil refinery capacity of 1.95 million barrels in the region by 1995.

The decision will be formalized after a MITI advisory panel releases its recommendation on the issue on Wednesday.

The increase in the capacity will be permitted on the condition that the capacity utility rate in the entire industry does not fall below 70 percent as a result of the expansion, and that the capacity utility rate among the group of companies of the refiner which wishes to boost capacity surpasses 80 percent.

Among the companies expected to apply for the permission for capacity increase are Nippon Oil Co. and Showa Shell Sekiyu K.K., according to the source.

'Heavy Borrowings' by Major Banks Viewed

OW2905140891 Tokyo KYODO in English 1231 GMT 29 May 91

[Text] Tokyo, May 29 KYODO—Major Japanese banks look set to run into a tough time repaying so-called subordinated loans they aggressively sought to meet new capital-adequacy requirements, data made available Wednesday indicates.

According to banking sources, the balance of subordinated loans borrowed by Japan's 11 major commercial banks, or city banks, and the three long-term credit banks totaled 4,530 billion yen at the end of March.

Among these banks, the balance of such debt is given as 607.9 billion yen at Mitsui Taiyo Kobe Bank, 556.2 billion yen at Fuji Bank, and more than 100 billion yen each at other banks with the exception of Daiwa Bank.

The sources said these heavy borrowings could pummel profitability at the banks as their total interest payments for such debts are estimated at 350 billion yen a year, adding the burden would keep them away from such borrowings.

"We'd like to refrain from procuring funds through subordinated loans unless stock prices plummet again," a source at one of the city banks noted.

The Finance Ministry last June allowed Japan's major banks to raise funds through subordinated loans, whose repayment priority is secondary, or subordinate, in the case of business failure.

Under rules prescribed by the Bank for International Settlements (BIS), proceeds from such loans are counted as a kind of capital as in the case with equity. This caused many Japanese banks to seek such borrowings as they face a sharp decline in asset value of their equity holdings owing to the stock market slump.

The BIS rules require Japanese banks doing business internationally to have capital equivalent to 8 percent of risk-weighted assets by March 1993.

Under the ministry's regulations, suppliers of subordinated loans are limited to financial institutions, among them insurance companies.

But insurance companies, faced with sliding premium revenues, appear certain to turn off the tap as cash demand from borrowers other than banks is still strong amid the Bank of Japan's tight credit policy.

"We want to avoid providing further funds to banks as growth in premium revenues is sluggish, while cash demand is strong," a source at one major life insurance company said.

Ways Proposed for Banks To Expand Capital Base

OW3005101191 Tokyo KYODO in English 0943 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—A Finance Ministry panel has put forward new ideas for banks to expand their capital base to internationally required levels, ministry sources said Thursday.

The panel recommended in a report that banks be allowed to issue subordinated convertible bonds (CBS) and the ministry ease the restrictions on sales of banks' claims on ordinary loans.

The move is designed to make it easier for banks to achieve the 8 percent target of capital-to-asset ratio by the March 1993 deadline, set by the Bank for International Settlements (BIS).

Under the BIS rules, subordinated CBS, a type of CB which is repayable only after other debts with a higher claim have been satisfied, can be counted as capital immediately after they are issued.

Japanese financial institutions have been asking the ministry to allow such issues, as high interest rates and last year's stock market debacle combined to sharply deflate their capital value.

The proposal, if it materializes, will also help ease the credit crunch, making banks less reluctant to lend, the sources said.

The government's curb on loans to property developers and the BIS-imposed capital target have discouraged banks from giving loans, even to their most creditworthy customers.

As for the banks' claims to ordinary loans, the Financial System Research Council, an advisory body to the finance minister, proposed allowing them to sell their claims to life insurance companies and other institutional investors, if these claims are to listed companies.

So far, the buyers of such claims have been limited to financial institutions.

Under the proposal, banks also will not have to receive approval from their borrowers for such sales.

Average Land Prices in Major Cities Fall

OW3005133791 Tokyo KYODO in English 1311 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Land prices in Japan's six major cities slid in the six months up to March 31 for the first time in 16 years, a private research institute said Thursday.

The average land price for the six cities—Tokyo, Yokohama, Nagoya, Kyoto, Osaka, and Kobe—fell 2.0 percent from September to March, compared with a 5.1 percent rise in the previous half year, the Japan Real Estate Institute said.

On a nationwide basis, land prices continued to rise but at a slower average of 2.9 percent in the half year from 7.3 percent in the previous six-month period, according to the institute's report covering 2,230 areas.

As factors behind the slower inflation, institute officials singled out a deterioration in buying interest due to sky-high land prices and the government's tight policy against land price inflation such as strict guidelines on real estate-related bank lending.

The officials said the findings suggest the nationwide rise is cooling but pointed to the difficulty of forecasting future trends as land price inflation itself remains in place.

According to the institute's report, nationwide prices were up 3.1 percent in commercial areas, compared with 8.1 percent in the previous half year, 2.5 percent in residential areas, compared with 7.0 percent, and 3.0 percent in industrial areas, compared with 6.6 percent.

As for the six biggest urban centers, prices fell 1.1 percent in commercial areas in contrast with the 4.5 percent rise in the previous six-month period.

Prices were down 3.5 percent in residential areas, compared with a 5.8 percent rise previously, and down 1.2 percent in industrial areas, compared with a 5.1 percent increase.

Real Estate Lending by Financial Bodies Slows

OW3005115291 Tokyo KYODO in English 1141 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Real estate lending by financial institutions slowed to 2.7 percent growth in fiscal 1990, restrained by overall restrictions, the Finance Ministry (MOF) said Thursday.

Lending for real estate concerns totaled 59,354.5 billion yen in fiscal 1990, but the rate of growth managed to stay below that of overall lending, which expanded by 7.4 percent.

The slower pace meant real estate lending stayed in line with year-old MOF requirements that real estate loans grow more slowly than overall lending.

MOF officials said, however, they do not plan to end the restrictions immediately because the nation currently is tackling land-price issues such as introducing new land tax, as land prices increases spread around the country.

But they said they will consider whether to continue the restrictions after July, keeping a close eye on land price movement and monetary conditions.

Real estate lending by city banks grew by 5.4 percent, long-term credit banks grew 3.9 percent, and trust bank lending went up by 2.7 percent, all within the range set by the MOF.

Real estate loans by regional banks, credit unions, and life insurance companies declined between 0.8 and 2.5 percent. Foreign banks' land lending plunged by 28.6 percent.

For the last quarter of fiscal 1990, the balance of loans for real estate gained only 0.2 percent to 59,354.5 billion yen from the previous quarter, the ministry also said.

The rate of real estate lending growth fell below that of overall lending, which grew at 1.4 percent for the same period. Since April 1990, the MOF has required that real estate lending not advance faster than aggregate lending.

The pace of growth in real estate lending for the past year has been within the restrictions, which were tightened to cap the speculative rise in land prices.

"The restrictions have been effective so far but we still have to watch land prices carefully so the Ministry of Finance has no intentions of loosening the restrictions in the near future," ministry officials said.

The 11 largest commercial banks saw their loans for real estate deals increase 0.4 percent while real estate loans by long-term credit, regional, and trust banks fell between 0.2 percent and 0.6 percent.

In addition, real estate lending by smaller banks and life and nonlife insurers fell, the ministry said.

Real estate lending by foreign banks in Japan was up 5.8 percent, surpassing the 4.6 percent growth of their total lending.

The officials said the advance in foreign lending reflected the arrival of a new foreign bank as well as the increase in lending to meet the intensified demand caused by the restrictions on Japanese banks.

EPA Urges Utility Pricing Reassessment

OW2905191991 Tokyo KYODO in English 1146 GMT 29 May 91

[Text] Tokyo, May 29 KYODO—The government's Economic Planning Agency [EPA] urged utility firms Wednesday to reassess their pricing formula in a move to bring down public utility rates, said to be higher than those in other advanced nations.

The appeal, made in a report released the same day, was designed to lower rates charged by five public utility industries, comprising electricity and gas suppliers, airlines and taxi and telephone firms.

Specifically, the agency wants the public utility companies to reassess the existing pricing system based on prime costs.

The agency emphasized the need for those companies to voluntarily boost management efficiency in order to bring down their rates.

The present system makes it hard for administrative agencies to determine that utility rates are adequately calculated on the basis of prime costs and cost-cutting efforts made by the suppliers, agency officials said.

For instance, the officials said, the suppliers tend to purchase necessary equipment to increase their assets instead of renting them at lower costs.

The report urged electricity companies to introduce variable rates to meet the diverse needs of customers, both households and industries.

As for the airline industry, the report urged the government to ease regulations on the entry of newcomers to promote competition and bring down air fares.

The report also called on the government to approve rate cuts for industrial users by gas suppliers in areas where they face competition from rivals using alternate energy sources.

Taxi companies were urged to increase employment of part-time workers since personnel costs account for nearly 80 percent of their charges.

New Steel Continuous Casting Process Sought

OW3005141391 Tokyo KYODO in English 1353 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Nippon Steel Corp. (NSC) and Mitsubishi Heavy Industries Ltd., jointly developing a twin-drum type steel continuous casting process, have made good headway to put the new process to practical use, the two firms announced Thursday.

The new process produces a hot-rolled steel strip directly from molten steel, produced by a converter or an electric furnace, by quenching molten steel by pouring it in between two drums.

NSC officials described the new process as an "innovative" and "epoch-making" continuous casting process, making one hot-rolling process unnecessary. Thus, it is a high energy and labor saving process, the officials said. The process is mainly used for stainless steel.

They said efforts will be made to lower the production cost further so that the new process will be put to practical use within three to five years.

In the conventional process, slab, a semifinished steel product, is first produced from molten steel by a hot-rolling process and slab is then hot-rolled again into strip. In the new process, the latter hot-rolling process is unnecessary.

A demonstration plant, adopting the new process, built in the compounds of NSC's Hikari Works in western Japan, where stainless steel is being produced, went into trial operation in July 1989. At the plant, continuous casting tests have since been conducted, using stainless steel.

The officials said the strip produced by the new process has been found to have about the same properties as the hot strip coil (hot-rolled strip in coil), produced by the conventional process.

Environment Guidelines Planned for ODA Projects

OW2505094491 Tokyo KYODO in English 0838 GMT 25 May 91

[Text] Tokyo, May 25 KYODO—With environmental destruction becoming an increasingly critical problem around the world, Japan is moving to ensure that its official development assistance (ODA) to developing countries is not used for projects harmful to the environment, Foreign Ministry officials said Saturday.

The ministry has decided to draft guidelines to make sure that road, agricultural, and electrical development projects that Japan carries out directly in developing countries are environmentally sound, they said.

The Japanese Government will ask developing countries to revise projects that do not meet the guidelines, the officials said.

Japan will draft the guidelines by the end of this year and implement them in 1992.

The guidelines will ensure that projects do not harm the health of area residents, damage land in the area, or pollute the air or water, the officials said.

Japan plans to later expand the guidelines to railway, airport, port, oil, water supply and gas pipeline projects.

The officials added that Japan will suggest ways of conserving ancient remains if any are found in the process of constructing the projects.

Every year, Japan carries out around 200 ODA projects at a total cost of about 25 billion yen.

Measures To Improve Status of Women Reported

OW3005090091 Tokyo KYODO in English 0809 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—The government agreed Thursday that Japan should offer more assistance to women in the developing world as part of its five-year plan for raising the status of women.

The 1991-1995 guidelines launched by the planning headquarters for women's policies, led by Prime Minister Toshiki Kaifu, also is likely to give momentum to efforts to revise a domestic law that requires married couples to use the same family name.

Japan has so far paid little attention to issues facing women in developing countries because it has been preoccupied with raising the status of women in Japan, said Mitsuko Horiuchi, director of women's affairs at the prime minister's office.

"We learned a lot from advanced countries about the status of women. Now we feel it is time to think about people in developing countries," Horiuchi said.

Despite growing recognition that women play an important role in development, more than half of all third world women cannot read or write, Horiuchi said. Maternal mortality rates also remain high, she said.

Horiuchi said she anticipates greater opportunities for women to participate in training programs funded by

Japan's Official Development Assistance, as well as increased funds for international programs targeting women.

The principles in the five-year plan are expected to be taken into consideration in policymaking, but they are not binding.

At home, the plan calls for policies to make it easier for both men and women to share household chores and childrearing.

In the former five-year plan the government called for greater awareness about men taking an active role at home, "but this time we are seeking to create the conditions that will make it possible," Horiuchi said.

Reducing working hours and strengthening laws granting child-care leave for either parent are high priorities in the plan.

Japanese workers put in an average of 2,044 hours on the job in 1990, 200 to 400 more hours than workers in the United States and Europe.

The plan calls for revising laws that require married couples to choose between the husband's or wife's name. At present 98 percent of women adopt the names of their husbands.

A law that requires women, though not men, to wait six months after divorcing to remarry should also be revised, the plan says.

The law was intended to facilitate identification of a father. Under the current law a child born within 300 days of a divorce is automatically considered the child of the former husband.

The government also pledged to increase participation of women in governmental advisory panels to 15 percent by 1995.

The current level is 8.2 percent, short of the 10 percent set forth in the last five-year plan.

The goal was set well below a United Nations target of women filling 30 percent of all management positions by 1995 because the U.N. figure was unrealistic, Horiuchi said.

Women account for around 7.2 percent of Japan's management-level personnel in government and the private sector.

Japan launched its first national plan for improving the status of women in 1977.

North Korea

'Full Text' of Kim Chong-il's 5 May 'Talk'

SK2705104091 Pyongyang KCNA in English 0957 GMT 27 May 91

["Full Text" of "Comrade Kim Chong-il's Talk 'Our Socialism for the People Will Not Perish'"—KCNA headline]

[Text] Pyongyang May 27 (KCNA)—"Our Socialism for the People Will Not Perish", talk of Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea [WPK], to the senior officials of the C.C. [Central Committee], the WPK on May 5, 1991, was published.

NODONG SINMUN, the organ of the C.C., the WPK, today devotes its first three pages to the talk.

The full text of the talk reads as follows:

The popular masses have an age-long desire to enjoy an independent and creative life to the full in a society which is free from exploitation and oppression. In order to realize this desire, they have struggled, shedding blood, against their oppressors. They have established the socialist society by overcoming all trials. Socialism is a new social system which differs fundamentally from all the exploitative societies that have existed in the history of mankind. As such, it has to blaze a trail through fierce struggles against class enemies. Therefore, it may meet with transient setbacks on its way. However, mankind's advance along the road of socialism is the law of historical development that no force can ever check.

Socialism that has been established to meet the people's desire for independence and the requirements of the times derives its unconquerable might from the masses' support for it and their confidence in this cause. Our people's support for and confidence in socialism are unshakable. Through their own lives they have experienced how precious the socialist system is. Throughout the decades of building socialism in our country there has never been any political instability or wavering. Today the imperialists and reactionaries are working viciously in order to wipe out socialism, but our socialism continues to advance vigorously along the path it has taken, without being swayed in the least by the enemy's dastardly attack and slanders. The progressive people of the world admire the durability and indestructibility of our socialism.

The secret of its durability and indestructibility lies in the fact that it is centered upon the popular masses, that it has made the masses the genuine masters of society and has devoted everything to their service. Because our socialism serves the popular masses, our people regard socialism as the cradle of their lives and happiness, and entrust all their destiny to socialism. Our people who are enjoying unlimited happiness and a genuine life in socialist society under the wise leadership of the party and the leader are working with devotion in order to safeguard the socialist system firmly and accomplish the socialist cause.

Socialism in our country is the socialism of our own style, that is the application of the great chuche idea and that is centered upon the popular masses.

The great leader Comrade Kim Il-song founded the chuche idea a long time ago by reflecting the aspirations of the masses and the requirements of the times. He has thus provided our age, the age of independence, with a new guiding ideology.

The chuche idea is a man-centered outlook on the world. It has clarified the essential qualities of man as a social being that has independence, creativity and consciouness. It has, on this basis, evolved a new philosophical principle that man is the master of everything and decides everything. The chuche idea has established the viewpoint and attitude that deal with everything in man's interests and approach all changes and developments on the basis of man's activities. The chuche idea has raised man's dignity and value to the highest point. Because it is the embodiment of the chuche idea, our socialism is a man-centered socialism under which man is the master of everything and everything serves him.

By man whom it regards as the master of everything and as the most precious and the most powerful being the chuche idea means the working masses. The chuche idea views the popular masses as the driving force of a social movement. A social movement is started and developed by the independent, creative and conscious activities of the people, the driving force. Without the participation of the popular masses, no social movement for the transformation of nature and society could take place, nor socio-historical progress could be made. The popular masses are the driving force of the social movement because they create everything in society and advance history by their struggle. Although they drive the social movement forward and make history, they cannot occupy the position of masters in any society. In an exploitative society, the exploiter class that eats the bread of idleness, not the history-making masses, lords it over. The socialist society is one that puts an end to the society in which the position of master is inverted. It makes the popular masses its genuine masters. Our socialism is centered upon the popular masses in that it makes them masters of everything, commensurate with their position and role in socio-historical progress, and devotes everything to their service.

Our socialism for the masses meets the aspirations and desires of the working class most thoroughly. The chuche idea is the revolutionary ideology of the working class, which represents the desires of the working class. It identifies the working class as the core of the driving force of the revolution. The working class embodies in itself at the highest level man's intrinsic desire to live and develop independently and creatively. It requires an independent and creative life, free from all manner of enslavement and bondage. It has a historic mission to emancipate not only itself but all members of society from all manner of enslavement and subjugation and bring complete independence to the popular masses.

In former days our country was a backward colonial, semi-feudal society so that the working class was not large in number, but it was the strongest in the spirit of independence and revolution. As such an advanced class, it constituted the core of the revolutionary forces. Ever since the stage of the anti-imperialist, anti-feudal democratic revolution, the great leader has held up the working class as the leading revolutionary class and has made its class requirements and national requirements the starting-point of all his revolutionary lines and policies. In our country all the revolutions—the anti-imperialist national-liberation revolution, the anti-feudal democratic revolution, the socialist revolution and the building of socialism—have been carried out successfully under working-class leadership. Our working class has grown steadily in strength, its role has risen higher and it is now assimilating the whole of society to itself with success.

With its gradual transformation on the pattern of the working class, the general appearance of our socialist society is being consummated as a society assimilated to the working class, as a classless society.

When I say that our socialism is a society that meets the intrinsic desire of the working class, I do not mean that it is a society only for the working class. The requirements of the working class agree with those of all other classes and sections that are interested in social progress; the society that satisfies the working-class requirements also meets the requirements of different classes and sections. The chuche idea has defined as the components of the driving force of the revolution not only the working class but also the peasantry, the intelligentsia and other broad sections of the population, and advocates meeting their interests.

The peasantry, along with the working class, constitutes the major component of the driving force of the revolution; it is the motive force of the revolution. In former days when the peasantry accounted for the majority of the population in our country, it was always an important matter in the revolution to realize the interests of peasants properly. Regarding the peasantry, along with the working class, as the main revolutionary force, the great leader saw to it that all problems arising in the revolution were solved to meet the requirements of the peasantry as well as those of the working class. Under the wise guidance of the party and the leader, the agrarian reform in our country was carried out in such a way as to meet the age-long desire of the peasants to own land, and the socialist revolution in the postwar years was accomplished on the principle of voluntary cooperation and in an original way of reorganizing the form of the rural economy on socialist lines before technological re-equipment in accordance with the desire of the peasantry. With a view to an ultimate realization of the desire of the farmers, the leader published the theses on the socialist rural question and has given energetic guidance to the struggle to implement the theses. Our party's consistent policy that champions the farmers' interests is to ensure that the state and society help the farmers in every possible, responsible manner to realize their desires and requirements. In our country, along the road indicated by the theses on the socialist rural question, working-class guidance of the farmers, industrial assistance to agriculture, and urban support for rural communities are being strengthened in every way, and the cause of making agriculture industrial and modern and of assimilating the farmers to the working class is being realized with success.

Intellectuals play an important role in the revolution and construction, and their role is enhanced with social development. It is very important in the revolution and construction to find a proper solution to the question of intellectuals. Ever since the first days of his revolutionary activities, the great leader regarded intellectuals as a component of the driving force of the revolution, as a major revolutionary force and guided them to work for the revolution. In view of the fact that then old-line intellectuals, as colonial intellectuals, had an anti-imperialist spirit of independence and a democratic revolutionary spirit, our party trusted them without hesitation, re-educated them and guided them to work for the working class. It has also trained a large number of new intellectuals of worker and peasant origin and prepared an army of intellectuals. Under the wise leadership of the party and the leader, our intellectuals are making an active contribution to the cause of socialism and communism by displaying all their revolutionary enthusiasm and creative talents in all fields of the revolution and construction.

The exploiting class is not the driving force of the social movement; it is a reactionary force in history and the target of the revolution. Dealing with the working masses as the driving force of the revolution and viewing the exploiting class as the target of the revolution do not mean on any account that people's standpoint and attitude towards the revolution and counter- revolution should be defined merely on the basis of their social classes. The position of people's social classes influences their actions, but it does so through their ideological consciousness. Even people of bad class origin, if under revolutionary influence, can contribute to the revolution.

The chuche idea's approach towards the people of different classes and strata is that they should be judged by their ideas and actions and that the people who help towards social progress and the revolution should be trusted as members of the driving force of the revolution, without their social class origin being questioned. Our party has trusted without hesitation all the people who came out in the struggle for the masses' independence, and has guided them to the path of revolution. For the anti-imperialist, anti-feudal democratic revolution in our country, our party organized into a revolutionary force not only the major classes, but also conscientious national capitalists, honest men of religion and all other forces that were opposed to imperialism and aspired to democracy. In the socialist revolution, it did not liquidate rich peasants and capitalist businessmen and entrepreneurs; it admitted them into the cooperative economy on the principle of voluntary participation and led them to be transformed into socialist working people. Our party has been leading all these transformed people to socialism and communism by trusting them as its lasting companions, rather than as temporary fellow travellers, no matter which class or stratum they came from.

Our socialism has been able to become stronger and develop steadily, enjoying unqualified support and confidence from the popular masses, because our party has strengthened the driving force of the revolution and has built our socialism on a most durable and broadest foundation of social classes by frustrating the counterrevolutionary schemes of a handful of hostile forces before it was too late on the strength of its just class line and mass line, at the same time as rallying different sections of the broad masses behind itself and the government of the Republic.

Members of a social collective are bound up by both the interests of the collective and those of individuals. The mode of combining these two categories of interest is an important factor that determines the progressive character of the social system. The capitalist society is ruled by egoism which sets the interests of the community against those of individuals and which places the interests of individuals above those of the community. Egoism inevitably results in social inequality and "an increasing imbalance between rich and poor" and produces conflicting relations among people. Egoism conflicts with the intrinsic nature of man as a social being. Because he is a social being capable of shaping his destiny only within the social community, man requires collectivism intrinsically. The chuche idea has clarified that the masses, and not an individual, are the driving force of the revolution and that collectivism, and not egoism, is man's intrinsic requirements. The basic requirement of collectivism is that the interests of the collective should be placed above those of individuals, that the two kinds of interest should be harmonized and that the interests of individuals should be realized through the realization of those of the collective. That which is contrary to collectivism is not the individual interests themselves, but egoism which seeks only individual interests at the expense of collective interests. In our socialist society which is the application of the man-centered chuche idea, the interests of every individual are respected, and the maximum social benefits and consideration are accorded to every member, on the basis of protecting collective interests thoroughly, and the relationship of the unity and cooperation of the whole society is in full bloom.

A country and nation is the most comprehensive of social communities. It is a solid organization of people, a body of common destiny, that has been formed socially and historically. The revolution and construction are carried out with the country and nation as a unit, and the interests of the social collective and those of the popular masses are realized within the unit of the country and nation. Outside the country and nation the popular masses cannot realize their desire for independence. The chuche idea regards the safeguarding of the independence of the country and nation as the fundamental requirement for realizing the masses' independence. When the imperialists are working viciously in order to trample upon the sovereignty of the country and nation, the thorough safeguarding of its independence is vital to meeting the masses' desire for independence and their interests.

With a clear understanding that independence is the lifeblood of the country and nation, our party and our people have always made it their cardinal task to safeguard the independence of their country and nation in their struggle for the revolution and construction. As a result, we have been able to build a dignified and powerful socialist country which is independent, self-sufficient, and self-reliant in its defence; we have been able to continue our dynamic advance along the revolutionary road by foiling the now worsening anti-socialist moves of the imperialists and reactionaries.

The struggle for championing the interests of the country and nation and for realizing its independence is linked with the struggle for independence throughout the world. Realizing independence all over the world by opposing domination and subjugation of one country and nation by another and inequality among them is a major requirement of the chuche idea which advocates independence. The cause of realizing independence throughout the world requires, as essential, friendship and cooperation among countries and nations. Strengthening cooperation among all countries and nations, large and small, on the principles of independence, equality and mutual respect creates favourable conditions for realizing the people's cause of independence. At a time when the allied imperialist forces are resorting to evil schemes for trampling upon the independence of the popular masses, it is very important to strengthen anti-imperialist international solidarity. All countries, all nations and all peoples that advocate independence must unite solidly and struggle jointly under the revolutionary banner anti-imperialist independence. Only then will they be able to frustrate the imperialists' scheme of intervention and aggression and succeed in achieving the cause of independence throughout the world.

Our people, guided by the ideals of independence, peace and friendship, have been strengthening international solidarity and developing the relations of friendship and cooperation with the peoples of all countries who aspire to independence; they have been effecting many-sided exchange with all the countries that are friendly towards our country, on the principle of equality and mutual benefit. In spite of the difficult conditions in which they are carrying out the revolution and construction in direct confrontation with the U.S. imperialists, our people have been giving unstinted material and moral support and encouragement to the peoples of the Third World who are struggling for independence.

Because it is the application of the chuche idea, the revolutionary idea of the era of independence, our socialism is the best socialism which is centerd upon the masses, strongly champions the desire of the working class and other social strata, the nation's right to independence and the aspirations of the world's people to independence.

Socialism is a cause for the popular masses, and socialism and the interests of the masses can never be separated. In order to safeguard the interests of the masses, we must be faithful to the cause of socialism, and in order to champion the cause of socialism, we must thoroughly safeguard the interests of the masses. The aspirations and demand of the popular masses are the criterion for judging the truth of all social phenomena and the guide to revolutionary activities. In future, too, we must always attach prime importance to the interests of the masses in the revolution and construction and deal with everything to meet them. We must firmly maintain the principle of thoroughly defending the fundamental interests of the popular masses and meeting their immediate interests by closely combining the two.

In order to build socialism centered on the popular masses, we must hold a revolutionary stand which enables the masses to maintain their position as the masters of the revolution and construction and play their role as such. No matter how great importance we may attach to the desire and interests of the masses, we shall be unable to meet them properly in actual life if we do not maintain a correct stand in the efforts to meet them.

If the popular masses are to maintain their position as the masters of the revolution and construction and to play their role as such, they must adhere to the chuche stand, in other words, the independent stand and the creative stand. The independent stand and the creative stand are the fundamental stand which must be maintained in the revolution and construction.

The independent stand is the stand for the masses to maintain their independent position as the masters of the revolution and construction and of their own destiny; the basic requirement of this stand is to exercise the right as the masters of the revolution and construction and fulfill their responsibility as such.

The independent stand is expressed in exercising the right to independence in all spheres of social life. If the popular masses are to exercise the right to independence, they must deal with all matters of the revolution and construction by their own decision and judgement so as to meet their desire and interests. The right to independence is not provided by someone else. The popular masses must win it and defend it through their own struggle as the masters of their own destiny. If the masses are to maintain their position as the masters of their own destiny and safeguard their right to independence and their dignity, they must accept full responsibility for solving their problems on the principle of self-reliance.

The creative stand is the stand for the popular masses to fulfill their role as people who transform nature and society and shape their own destiny; the basic requirement of this stand is to believe in the inexhaustible creative power of the masses and solve all problems creatively by relying on the creativity of the masses. A social movement is a creative movement; it is the process of struggle between the new and the old. The masses are creators; they overcome the old and create the new. History advances and the revolution is promoted on the strength of the inexhaustible creativity of the masses. In order to give a strong impetus to the revolution and construction, we must adhere to the attitude of fostering the creativity of the masses and enhancing their creative role. The creative activities of the masses are always conducted under concrete subjective and objective conditions. The thoughts and feelings as well as the preparedness of the masses who create new things vary with the countries they live in, and the socio-economic and material conditions under which creative activities are conducted, also differ from country to country. In the revolution and construction one must always adhere to the attitude of solving every problem to suit the specific situation in one's own country.

The practical experience gained in our revolution clearly shows that when the chuche stand is firmly maintained any complex and difficult problems of the revolution and construction can be solved successfully.

The socio-historical conditions of our revolution made it imperative to solve every problem from our own conviction to meet the will of our people and to suit the actual situation in our country. We started the revolution in a backward colonial semi-feudal society and had to build socialism under difficult circumstances in which the country was divided into the North and the South and everything was destroyed in the war. No ready-made formula capable of coping with such a situation could be found anywhere, still less one capable of blazing a trail in building socialism after the establishment of the socialist system. This required us to think all the problems raised in the revolution and construction with our own heads and find solutions that suited our own situation.

From the point of view of chuche the great leader advanced original theories on the anti-imperialist national-liberation revolution, the anti-feudal democratic revolution and the socialist revolution and systematized them; he has perfected a new theory on the building of socialism and communism in an all-round way. The theory and strategy and tactics on the revolution and construction authored by the leader by implementing the chuche idea are a revolutionary theory centered on the working masses; they are the strategy and tactics of the revolution which are based on the role of the working masses. They are a perfect revolutionary theory of communism which encompasses an all-round system of the theory of national, class and man's emancipation and the theory of the transformation of society, nature and man. Because the original revolutionary theory and strategy and tactics evolved by the leader illumine their way ahead, our people have been able to advance the cause of socialism along the straight path to victory without the slightest deviation.

The internal and external situation of our revolution was very complex; this made it vital for our people to advance the revolution and construction by their own efforts by fully displaying the revolutionary spirit of self-reliance. It is not easy for a small country to carry on the revolution and construction by itself. Particularly arduous it was for our country to build socialism from scratch by its own effort because the country was in sharp confrontation with a formidable imperialist foe and because it took over only backwardness, poverty and the devastated economy from the old society and the preceding age. However, our people did not undertake the revolution and construction with the help of anyone else. Firmly convinced of their being the masters of their own destiny and also being capable of shaping their own destiny, our people solidly united behind the party and the leader and hewed out the path of socialism with credit overcoming all trials by their own efforts. Because it has adhered to the chuche stand in the revolution and construction, our party has been able to uphold the dignity of the nation and the revolutionary principles under any complicated circumstances and firmly carry forward the cause of socialism. The prevailing complex situation requires that we should maintain the chuche stand still more firmly in the revolution and construction. When the imperialists and reactionaries are resorting to vicious anti-socialist manoeuvres and directing the spearhead of their attack to those countries which maintain the revolutionary principles, we must adhere to the chuche stand in the revolution and construction more firmly than ever before. Fully aware that adhering to this stand is vital to the destiny of the country and the nation, we must consistently carry out the party's line and policy of independence and solve all problems to suit the situation in our country by drawing on the creativity of our people.

The unique socialism of our own style which has been centered upon the masses and built by our own efforts to suit the situation in our country along the line chosen by our people is displaying great advantages and vitality.

Our socialist system is the best of all social systems that provides an independent and creative life for the popular masses. Our people's desire to lead an independent and creative life to the full, free from all manner of enslavement and bondage, is being brilliantly realized in all aspects of their political, economic, ideological and cultural lives.

Political life is of decisive importance in social life. Only when they participate in political life as masters of the state and society, can the popular masses lead an independent and creative life. In order to take part in political life like masters, as masters of their destiny, the popular masses must have political power in their own hands.

Motivated by the chuche idea, the great leader proposed the original line of people's government a long time ago and led our people to build the government in accordance with their will. The people's government established by our people in accordance with their own will is a genuine people's government of which the working class and the broad working masses are the masters and which firmly champions the interests of the people.

In our country where the people are the masters of the government, all the working people, as equal members of society, participate in all aspects of exercising state power and state administration with the attitude befitting a master with equal political rights, and they are freely conducting socio-political activities.

Our socialist society is a genuinely democratic society which substantially provides the people with true political rights and freedom. By nature, socialism cannot be separated from democracy. Socialist democracy alone is true democracy.

As long as class struggle exists, democracy assumes class character and is connected with dictatorship. Socialist democracy gives full scope to democracy for the popular masses, but exercises dictatorship over the class enemies who infringe upon democracy. The fact that the imperialists and reactionaries are slandering socialist democracy because socialist society exercises dictatorship over class enemies means, in the final analysis, that they want to pave the way of their criminal moves against socialism. When the imperialists and their stooges are committing subversive activities and sabotage against socialist democracy, it is only natural that sanctions are applied against class enemies who infringe upon the independence of the popular masses. Bourgeois democracy which the imperialists and reactionaries try to force upon other people is anti-popular "democracy" which gives a handful of exploiting classes full scope of democracy but exercises dictatorship over the working masses. Bourgeois democracy which harshly suppresses the struggle of the broad working masses for democratic freedom and the right to survival can never be a true democracy. The imperialists and reactionaries are advertising the bourgeois parliamentary system and the bourgeois multi-party system as "democracy". However, big monopolists are the real wire-pullers of politics behind the scene of these systems. When they find even the formal parliamentary system or the multi-party system to be an obstacle to their reactionary rule, the imperialists and reactionaries throw it away overnight and resort to overt fascist rule. This has been clearly proved by historical facts.

The popular character of socialist democracy and the anti-popular character of bourgeois democracy are manifest in the question of human rights. In our socialist society which regards man as most precious, human rights are firmly guaranteed by law; even the slightest practice infringing upon them is not tolerated. In our country people's all rights ranging from the rights to employment, food, clothing and housing to the rights to free education and medical care are fully guaranteed. It would be difficult to find such a country in the world. The imperialists and reactionaries, posing as the "champions of human rights", are now vilifying socialism, but they and none other are violating the human rights. The imperialists and reactionaries who commit political terrorism against the innocent people and social figures demanding freedom and democracy and who deprive the working people of their elementary democratic freedom and right to survive are not entitled to talk about human rights. Violent attacks upon human rights perpetrated in South Korea at the instigation of the U.S. imperialists clearly show how hypocritic and shameless the imperialists' professed "championing of human rights" is.

Socialist democracy is legally ensured by the socialist law-abiding life. Socialist law-abiding life is a democratic law-abiding life which fundamentally differs from bourgeois law-abiding life, which is the means of ruling the people by force. The socialist society is an organized society based on collectivism, and the high level of social organization is guaranteed by the socialist law. People's democratic rights and freedom is ensured by the socialist law and in good social order. Unlike the capitalist law which is an anti-popular means of rule for the reactionary ruling classes, our socialist law is made by reflecting the will of the working masses and is abided by on the basis of their high level of consciousness. Our people, through the most popular socialist law-abiding life, are being fully provided by the law with the democratic rights and freedom as the masters of the state and society.

In socialist society, democracy is combined with centralism. If everyone makes his own claims without being subjected to centralism, the masses will be unable to realize their desire for independence. Democratic government is precisely an undertaking to incorporate the desires of the masses into a policy and get it realized as their own will. It is only when the state gives centralized leadership under the guidance of the working-class party that real democracy can be guaranteed. Ensuring the centralized leadership of the state is the natural requirement of socialist society.

In socialist society where all its members are integrated into a socio-political organism and everyone lives helping and leading one another forward, the state is responsible for the lives of all members of society. That the state looks after all members of society on its own responsibility is one of the intrinsic advantages of socialist society over capitalist society. In capitalist society people's lives are the concern of only of the individuals, and they are left to the mercy of spontaneity; the bourgeois state does not care at all whether people are starved to death or not. In socialist society the state function of taking care of everyone's life on its own responsibility is performed by means of its centralized leadership.

The performance of the function of centralized leadership by the socialist state is not merely an exercise of power function. Of course the socialist government exercises its power function in conformity with its character, but the socialist government case master is the people and which serves the people must not regard its power as omnipotent. Only the government of the exploiting class which rules the people politically regards its power as everything. The socialist government of our country is not merely a power organ, but also a government which serves the people; it represents the working people's right to independence, organizes their creative ability and activity, is responsible as the national administrator for the people's lives and protects their interests. If the socialist state weakens its function of centralized leadership which is necessary for the performance of its mission and duty as the servant of the people, it cannot fulfill its responsibility to provide the people with livelihood, and, worse still, a state of anarchy may be created in socialist society and socialism may be endangered. For the very purpose of obliterating socialism, the people's enemy is working against the centralized leadership of the socialist state under the cloak of "democracy".

We must continue to strengthen the people's government, enhance its functions and role, establish more thoroughly the attitude of observing the socialist law and the democratic way of life and thus give free rein to socialist democracy. By carrying out the party's lines and policies and implementing the revolutionary mass line correctly, our people's government organs must fulfill their mission and duty honourably as the administrators responsible for the people's lives.

In society people participate in political life through not only the government but also political parties and social organizations. If they are to become genuine masters of politics, the masses of the people must not only be masters of the state power, but need to take part in the political life of parties and other organizations as befitting masters. The importance and role of political life in parties and social organizations increase in socialist society because the socialist society is a society in which the leader, the party and the masses make up a socio-political organism. In socialist society, people can preserve their socio-political integrity maintaining close ties with the leader only when they lead political life in the working-class party and the political organizations led by it. Our working people regard it as a valuable life to lead the political life in the party and the political organisations led by it and participate willingly in this life.

Democratic centralism is the principle of organizational life in our party and working people's organizations. In politico-organizational life there is neither the superior nor the subordinate; everyone exercises rights and performs duties, on an equal basis. Democratic suggestions made by party members and working people through party and working people's organizations are incorporated into party and state policies and, on the strength of their creative initiative, these policies are carried out.

Party and working people's organizations are a school which educates and trains the party members and working people. Through their politico-organizational life the party members and working people digest the leader's revolutionary idea as their political pabulum and train themselves with the help of their organizations and comrades. In our country all the party members and working people are fully equipped with the chuche idea and promoting their valuable socio-political integrity rallied rock-solid behind the party and the leader; this is totally inconceivable without their revolutionary politico-organizational life.

The imperialists and reactionaries disparage political life in the working-class party and other political organizations led by the party as if it were the "restraint" of freedom, because politico-organizational life is precisely an important source of the politico-ideological might of socialist society. If people in socialist society do not lead political life properly in the working-class party and other political organizations led by the party, they cannot preserve their socio-political integrity; worse still, they can go astray and disgrace their socio-political integrity and even play into the hands of the reactionaries, being deceived by the counter-revolutionaries. It is only when they lead revolutionary politico-organizational life that they can take part in implementing the party and state policies befitting masters and live a worthwhile life. We must consolidate and develop our well- regulated system of politico-organizational life, encourage the party members and working people to acquire a stronger spirit of voluntary politico-organizational life and ensure that all the people promote their socio-political integrity.

Economic life constitutes the basis of social life. People's independent and creative life is guaranteed by a free and rich economic life.

Since the popular masses are the masters of their own destiny, they must be the masters of their economic life. Whether they become the masters of their economic life or not depends upon the economic system of the society, the system of ownership in particular. The popular masses create social wealth also in the outmoded exploitative society, but they are not the masters of their wealth because they have been deprived of the means of production by a handful of exploiting classes. The popular masses who aspire towards a new society free from exploitation and oppression desire, before all else, to own the means of production. This desire has become a reality in our country through the democratic revolution and socialist revolution. In our country the social ownership of the means of production holds undivided sway and, on the basis of this, the popular masses have become the genuine masters of their economic life and enjoy an independent and creative life.

The imperialists and reactionaries, loudly advertising the "advantage" of private ownership, are urging socialist countries to abandon social ownership and restore private ownership, but the reactionary nature of the system of private ownership was proved by history a long time ago. The vaunted "advantage" of private ownership means an unbridled competition to rake in more wealth, a competition based on the law of the jungle. This competition inevitably engenders exploitation and oppression and degrades the working people to the slaves of capital. Only in a socialist society which is based on social ownership can the popular masses enjoy an independent and creative life as genuine masters of the society. The people in our country experienced through their actual lives that social ownership alone provides them with an abundant and cultured life; they hold the system very dear and strive with devotion for its consolidation and development. The consolidation of social ownership is a law governed requirement of the socialist society for its development. We must accomplish the historic task of establishing a single all-people ownership by the method of bringing cooperative ownership closer to all-people ownership while steadily enhancing the leading role of the latter.

The socialist economy in which the popular masses own the means of production must be managed by the popular masses themselves. By establishing the Taean work system, the great leader provided the best form of economic management whereby the socialist economy is managed by the masses themselves. The Taean work system is an absolutely scientific form of communist economic management which applies the revolutionary mass line. In this work system the mass line is implemented admirably by the collective guidance of the party committee. The collective guidance of the party committee renders it possible to prevent individuals from managing the economy in a subjective and arbitrary manner, enlist all the collective wisdom of the masses amd encourage them by a political method to the fulfillment of the economic tasks. The guidance of the party committee over the economic work, a method evolved by our party, is essential form of policy guidance, political guidance, and it precludes the party from taking administrative work upon itself and from working by administrative methods. In accordance with the decision of the party committee, the party officials do work among people, a political work, and the administrative and technical workers do economic and technical work. Thanks to the collective guidance of the party committee, all the economic work has been carried out as required by the party's policies, the opinions of the masses reflected correctly in the management of the economy, and officials' sense of responsibility and men's enthusiasm displayed highly in the performing of economic tasks. The superiority and vitality of the Taean work system have been proved clearly in practice. We must continue to implement the Taean work system thoroughly so as to develop the socialist economy at a steady and high rate by drawing on the unfathomable creativity of the popular masses and provide our people with a richer and more cultured life.

Creative labour occupies an important place in economic life. By means of labour man creates material and cultural wealth needed for his life and, in the course of this, trains himself into a more powerful being. The right of labour is one of the basic rights a man should have as the master of the society and how this right is guaranteed is an important factor which defines the progessive character of the social system.

Our socialist society grants the working people full right to labour. Our working people are provided by the state with stabel jobs in accordance with their abilities and aptitudes. The word "unemployment" has no place in the lives of our people. This can be seen only in our socialist society which treats man as the most precious being. The capitalist society which regards man as an object of exploitation and as a producer of the surplus value cannot provide the working people with stable jobs. Capitalists are using unemployment as a lever for increasing labour intensity and for exploiting the labour force at lower cost. In the capitalist society a great number of unemployed and semi-unemployed people are wandering about streets, and even the employed people are living in suspense of being dismissed.

In order for creative labour to be man's more worthwhile efforts, the working people should be freed from backbreaking labour and provided with more cultured and hygienic working conditions. The more the productive forces of society develop, the greater the possibility for the provision of better working conditions. But how this possibility is put into effect depends largely on the character of the social system. Our party raised the technical revolution for freeing the working people from hard labour as a task of continuous revolution to be performed after the socialist system is established and is striving to carry it out. Under the wise leadership of the party and the leader the historic task of freeing even from backbreaking labour the working people, who have been freed from exploitation and oppression, is being fulfilled with success in our country. We must continue to strengthen the best socialist labour system in our country, press on with the technical revolution until we eliminate the hard and backbreaking labor once and for all and make our people's creative labour more worthwhile. Providing people with an equal and affluent material life is a major requirement of socialist economic life, the equal and affluent life of the popular masses is guaranteed only by the popular policies of the working class party and the socialist state.

Thanks to the popular policy of our party and the government of our Republic, all our people are being provided by the state and society with all the practical conditions necessary for food, clothing and housing and are enjoying an equally happy life. They are supplied by the state with provisions virtually free and receive the benefits of free education, free medical care as well as all conditions needed for food, clothing and housing. Moreover, as a result of the abolition of taxation, the word "tax" has disappeared from their lives. In our country the state takes responsible care of the old and disabled people and children who are supportless. In our country preferential, social treatment is accorded to merited people including the veterans who were disabled in the battle for the cause of the fatherland and the people, and the party and the state take warm care of them. Our people are receiving a lot of benefits from the party and the state. The popular policy of our party and the government of the republic is an eloquent proof of the advantages of our socialist system which is centered upon the popular masses.

The "welfare policy" pursued in the capitalist countries is fundamentally different from the popular policy of the socialist society. It is aimed at hiding the class contradictions in that society and to pacify the resistance of the working masses. Even if the "welfare policy" is enforced, it is only in name and cannot improve the living of the working people.

In our country the socialist principle of distribution according to the quantity and quality of work done is put into effect and such economic levers as prices are used, to suit the transitional character of socialist society in this case, too, wages and prices are assessed on the principle of improving the people's standard of living systematically and equally, and the differences in the wage-scale are set small and are narrowed gradually [sentence as received]. The prices of mass consumption goods are so low, and those of goods essential to children and students even lower.

Under the wise leadership and great consideration the party and the leader all members of society are equally well-off, free from any worries about food, clothing and housing and are leading a happy life helping and leading each other forward. This is the characteristic feature of socialist material well-being our people enjoy. We must not only continue to follow the most advantageous popular policy by which the party and the state take responsible care of the material well-being of the people but also further develop it with the progress of socialist construction.

Material guarantee for the people's economic life is secured by the development of the nation's productive forces. The socialist system provides a broad avenue for the development of the productive forces. The socialist economy which serves the people is not a market economy but a planned economy; it is not a dependent but independent economy. The market economy which is geared to money-making and the dependent economy which enriches foreign monopolists totally conflicts with the interests of the popular masses; neither of them can develop as fast as the socialist economy that develops on a planned and independent basis. The imperialists and their mouth-pieces claim that the developed capitalist countries owe their "material prosperity" to what they call the "advantage" of the capitalist economic system, but it is a lie that can deceive nobody. The developed capitalist nations have long taken the road of capitalism but the socialist countries were once economically backward or colonial or semi-colonial. The former has achieved "material prosperity" through the harsh exploitation of the working people and colonial plunder of the people of the Third World but the latter has not allowed itself to do so. The imperialists may make their colony of some backward countries and cook up "material prosperity" for the purpose of using it in confrontation with socialist countries, but such dependent economy can never bring genuine well-being to the working masses, no matter how it is developed. Only the socialist economy developing on a planned, independent and national basis can bring genuine prosperity and happiness to the working masses. Only by building a sound independent national economy developing in a planned way is it possible to secure political independence, strengthen the material and technical foundation, firmly improve the the people's material well-being and give rein to the advantages of the socialist system.

When the imperialists are working craftily in order to impose the capitalist market economy upon other countries and make inroads upon their economy by using "economic cooperation" and "aid" as a bait, it is all the more important to maintain firmly the principle of building the socialist economy. Under the leadership of the party our people have built a powerful independent national economy by giving full scope to the advantages of the planned socialist economy. They are pushing ahead with socialist construction, in spite of whatever economic blockade imposed upon by the imperialists or any world economic upheaval. We must further increase the economic strength of the country and continue to improve the material well-being of the people by carrying through the party's policy of unified and detailed planning as well as its line of building an independent national economy and by effecting continual upswing in the construction of the socialist economy. We must develop economic exchange and cooperation in every way on the principles of equality and mutual benefit with all countries that are friendly towards our country. But we must reject all imperialist attempts to make inroads upon our economy.

Ideological and cultural life is an important aspect of social life. Through ideological and cultural life people develop their independent ideological consciousness and creative ability, satisfy a variety of their cultural and emotional needs and acquire noble mental and moral traits.

A major character of ideological and cultural life in socialist society is that the popular masses not only create mental and cultural wealth but also own it and enjoy noble ideological and cultural life. Since the popular masses are the masters of the socialist society, the working-class party and its state must provide the people responsibly with the conditions for a sound and rich ideological and cultural life. In our country the party and the state provide the people with the conditions for ideological and cultural life in a responsible way. This is the best system that accords with the requirement and aspiration of the popular masses. It is a major characteristic of our socialist society.

Ideological life, along with their political life, is very important in people's social life. People's qualities are determined by their ideological consciousness, which plays a decisive role in all their activities. The confrontation between progress and reaction, revolution and counter-revolution, is always based on the confrontation in the ideological field.

Ideological life in socialist society is based on the revolutionary ideas of the working class, and our people's ideological life is based on the chuche idea, the perfect revolutionary ideology of the working class. In any society ideological life assumes a class character. Ideological consciousness reflects the class interests and requirements of the people. No class in history has ever refrained from claiming its ideological rule of society. In capitalist society imperialists and monopolists try to impose a corrupt reactionary bourgeois ideology upon the society. But in capitalist society, which is divided into classes and strata with conflicting interests, it is impossible for a single idea to keep the society under its complete sway and, accordingly, it is inevitable that different ideas and trends exist there. This state of affairs in capitalist society is painted out by imperialists and their mouthpieces as ideological "freedom". In capitalist society where the power of capital dominates everything, there can be no genuine ideological freedom. Monopoly capitalists seize most of propaganda media, among them publications, radios and televisions, with the power of money and spread their reactionary ideas by force; they do not even hesitate to resort to an overt repression of the thoughts which they recognize as a danger to themselves. This is the ideological "freedom" that has been much vaunted by the imperialists and their mouthpieces.

While suppressing by force of arms the spreading of the chuche idea among the South Korean people, the U.S. imperialists and their stooges are saying that we have no ideological "freedom". By nature, ideas cannot be obliterated by coercion. In South Korea the ranks of adherents to the chuche idea are expanding in spite of the harsh repression by the U.S. imperialists and their stooges. The suppression of ideology is perpetrated by those who, not having a better idea, try to impose anti-popular thoughts upon people. Our people have accepted the chuche idea, the excellent man-centred thought, as their conviction, of their own accord, and from their vital need.

Socialist society naturally requires the undivided sway of the revolutionary idea of the working class. It is lawful that a single idea is predominant in socialist society where the socio- economic foundations of outmoded thoughts have been eradicated and class antagonism eliminated. Of course, it is not easy for the revolutionary idea of the working class to hold undivided sway in socialist society because this society still retains survivals of obsolete ideas and is subject to the ideological and cultural infiltration of imperialism. Although man's ideological consciousness is influenced by socio-economic conditions, the establishment of a new socio-economic system does not change people's ideological consciousness automatically. There can be no blank in man's mind; he cannot help being affected by either the revolutionary idea of the working class or bourgeois thoughts. Particularly when the imperialists and other reactionaries are bent on their evil scheme of ideological and cultural penetration into socialist countries, the slight slackening of ideological education may result in the wind of bourgeois liberalism blowing in. It is a stereotyped trick of imperialists that they try to smuggle their ideas into other countries, prior to undisguised aggression. We must foil any imperialist attempt to send the wind of bourgeois liberalism into socialist countries for the purpose of undermining them ideologically.

In order to eliminate the survivals of outworn ideas in socialist societies and check the infiltration of any unsound ideology from the outside, we must train people to be communist revolutionaries of the chuche type through the vigorous ideological revolution. The ideological revolution aimed at transforming the ideological consciousness of the people is a law-governed requirement in the building of socialism and communism as well as the most important revolutionary task facing the working-class party after the establishment of the socialist system. It is only when all members of society are freed from the shackles of all obsolete ideas and trained to be firm communist revolutionaries of the chuche type through the ideological revolution that the driving force of the revolution can be strengthened and the cause of socialism and communism can be accomplished creditably. Laying the main stress on the ideological revolution, our party has given its members and working people intensive ideological education in various forms—education in the principles of the chuche idea, in party policy, in loyalty, in revolutionary traditions, in class attitude, in collectivism and in socialist patriotism. In this way it has equipped them firmly with its revolutionary ideology, the chuche idea, and is successfully imbuing the whole society with this single ideology. Our working people are fully displaying the revolutionary spirit to work with devotion to the party, their fellow people, society and their collective. This is the true aspect of the ideological life of our people, and the sure guarantee for the victory of our revolution lies in the fact that the whole of society is overflowing with a revolutionary tone of ideological life. Given priority to the ideological revolution in conducting the three revolutions—ideological, technical and cultural—is the consistent policy of our party. We will in future, too, adhere to the principle of giving precedence to the ideological revolution, maintain the existing system of ideological education as well as its contents and methods, and develop ideological education in depth to meet the requirements of the developing situation. By doing this, we will prepare our people better to be communist revolutionaries of the chuche type.

In providing the people with an independent and creative life it is important to meet their cultural requirements. Our socialist system of cultural life is the advantageous system of satisfying their cultural requirements. In our socialist society the working people are growing to be powerful beings possessed of creative ability and qualifications. In our country, the land of education where all the people study, the whole society is being intellectualized creditably. In this country the universal compulsory eleven-year education system has been in force and higher education has developed, so that the younger generation are being trained as good national cadres, as builders of socialism. Under a well-organized educational system of studying while working the working people are cultivating their creative talents while on the job. Under the well-established system of study with good studying conditions arranged for the entire party and the whole society, all the officials and working people are improving their political and practical qualifications steadily.

Our country has created a socialist national culture and the people enjoy a rich cultural and emotional life to the full. The revolutionary and popular culture which is national in form and socialist in content has developed and blossomed, so that our country is renowned as a country of brilliant culture, and as a country of art.

In our socialist society the people have acquired the communist moral traits required of independent beings so that they live in harmony, with a high sense of revolutionary comradeship and obligations, as well as revolutionary conscience, helping and leading each other forward.

The sound and rich cultural life of our people is the most valuable and worthwhile cultural life. By continuing to conduct the energetic cultural revolution, we will continue to raise the cultural level of society and bring our people's sound and noble cultural life into fuller bloom.

The socialism of our country is an invincible socialism based on the singlehearted unity of the leader, the party and the masses.

The driving force which promotes socialist society is the popular masses themselves. But only when the popular masses are closely united behind the party and the leader, can they play their role as the independent driving force of the revolution and successfully carry out socialist construction.

Socialist society is an organized society based on collectivism. Therefore, it can never carve out its way spontaneously. When socialist society is guided by the correct guiding idea and the scientific strategy and tactics and when the political awareness of the popular masses and their sense of organization are raised, it can fully display its advantages and it can be steadily consolidated and developed. Putting before the popular masses the correct guiding idea and the scientific strategy and tactics and making them become politically conscious and get themselves organized—this work is done by an outstanding leader of the working class and the party.

The leader is the centre of unity and cohesion which makes the popular masses become politically conscious and get themselves organized to unite them into a political force, and he is the centre of leadership which leads the revolutionary struggle of the popular masses to victory by his scientific theory and strategy and tactics. He is the great revolutionary leader who defends most thoroughly the independent demands and interests of the popular masses, and has an unusual gift of farsight, a man all- powerful in the leadership art and noble in personal virtue, who wisely leads them in their struggle for its realization.

When our people in the days of national suffering, were buffeted by the waves of adversity, unable to find which way they should go, they were eagerly looking for an outstanding leader. This desire was splendidly fulfilled when our people had the great Comrade Kim Il-song as their leader. As our people had been placed under the leadership of Comrade Kim Il-song, a great leader whom they have acclaimed for the first time in their history of several thousand years, they could put an end to a prolonged history of suffering, greet a new era of revolution and victoriously forge a new history of socialism. The people-centred excellent socialism of our own style built in our country is a brilliant fruit of the tireless and energetic activities of the great leader and his advisable guidance, the leader who boundlessly loves the people and devotes his whole life to their interests.

The idea and theory, and policy put forward by the great leader are the full embodiment of the people's will and requirements. Our leader taught that the popular masses are a teacher. Not in his study, but in the midst of the populace, he discovered the truth of chuche principle, put this principle in systematic form, reflecting the people's aspirations, and on the basis of summing up the experience of struggle waged by the popular masses for realizing independence, he rounded the chuche idea into a complete system. He mingled with the popular masses to grasp their will and demand, and, on this basis, he put forward a new line and policy. The chuche method of farming created by the leader was also presented by systematizing the experience of farmers together with them, while giving on-the-spot guidance at many rural villages. The famous chongsanri spirit, chongsanri method which are the communist guiding idea, the method of guidance on mass leadership, was also presented by him by systematizing the aspirations and will of the chongsanri farmers, while sharing board and room with them.

The road of his on-the-spot guidance covering hundreds of millions of miles is a memorable road in which he has put forward the line and policies, reflecting the aspirations and will of the popular masses, and aroused them to their implementation, thus leading our revolution to an uninterrupted upswing. The chuche-orientated method of leadership which the great leader has created, personally setting a shining example, the method of work of the leader's style, has become our party's traditional method of work.

The singlehearted unity of the leader, the party and the masses which constitutes the permanent life and soul of our socialism is precisely traced to the great leader's boundless love of people. Because the leader shows infinite affection for the people and splendidly fulfils their desire, our people profoundly respect him as a real father, hold him in high esteem and show great devotion to him.

The leader's guidance is put into effect through the working- class party. The working-class party is the vanguard detachment organized by the foremost elements of the working people and it is the general staff of the revolution which leads the struggle to realize independence of the popular masses.

The working-class party is the sole guiding force of socialist society. Any other political organization cannot represent its position and role. The government organ which exercises power and the working people's organizations, a mass-based political organization, which involves a certain section of society, cannot take the place of the working- class party in view of their characters, and they should be subjected to its guidance. Other political parties, except the working-class party, also cannot become a guiding force of socialist society. Socialist society is a transitional one in which class distinctions and other various differences remain. Therefore, other political parties can exist along with the working-class party but the parties representing a certain political force and section can never take the place of the position and role of the working-class party. Transferring the hegemony in socialist society which embodies the demand of the working class, to the hands of other political party, not the working-class party, means, in the final analysis, giving up socialism. Other political parties in socialist society are not political organizations competing with the working-class party for power. But they should be the political organizations friendly cooperating with each other in conditions where the leadership of the working-class party over the whole society is ensured. It is an essential demand of socialist society where the independent demand of the farmers, working intellectuals and other broad sections of the people, to say nothing of the working class, a leading class, is being put into practice.

If this demand is disregarded and the leading position and role of the working-class party are weakened and ignored, the working people will be reduced to the unorganized masses bereft of their guiding centre and finally they are disrupted. The result will be that the counter-revolutionary elements may mislead public sentiments and seize power. Whether the leadership of the working- class party over socialist society is ensured or not, is a crucial problem that will affect the destiny of socialism.

Our people regard the Workers' Party of Korea, a working- class party, as their only guiding force, entrust their destiny entirely to it and faithfully uphold its leadership.

The advantage and solidity of socialism depend on the revolutionary character of the working-class party, the guiding force of socialist society, and its leadership role.

Our party is guided by the people-centred chuche idea and is fighting for the completiom of the cause of independence of the popular masses. Regarding the people-centred chuche idea as its only guiding ideology and the complete realization of their independence as its noble mission—herein lies the basic character of our party, a revolutionary party serving the people.

Our party was built as a mass party embracing the progressive workers, farmers and working intellectuals in conformity with its intrinsic demand as a party serving the people, and has strengthened and developed into a revolutionary party which is rooted deep among the popular masses.

Even when shaping a policy, our party which is boundlessly faithful to the people always goes deep among the people to acquaint itself with their will and demand and mirror them in it. Because of the reflection of the people's will and demand, all the policies of our party have been converted into the concern of the popular masses themselves and are applied to their actual life. In the future, too, we should regard the protection of their interests as the supreme principle governing the party's activities and should conduct all its activities fully in keeping with the will and demand of the masses.

If the working-class party is to correctly fulfil its mission to serve the people, the party itself should be strengthened unceasingly. Even if it regards service for the people as its mission, the party cannot play its role satisfactorily when it fails to build itself up firmly.

The source of might of the revolutionary party of the working class lies in achieving the unity and solidarity of the whole party on the basis of one ideology. Our party has set it as the basic line of party building to establish the monolithic ideological system and has striven to embody it thoroughly. This has enabled us to firmly establish the leader's ideological system and system of leadership throughout the party and achieve the most solid unity and cohesion and, on this basis, to step up the revolution and construction forcefully.

Ensuring succession in building the working-class party is the guarantee of its invincibility. It is the requirement of the law that guides the development of the communist movement and the party. The revolutionary cause of the working class has to be carried out over a long period of time from generation to generation and a shift in generation takes place constantly in the course of development of the comunist movement. This makes it necessary for the cause of building the working-class party to be carried forward and developed through generations. Ensuring succession in party building is, in the final analysis, the question of ensuring succession in party leadership. The question of succession of party leadership for carrying forward the cause of the leader, the pioneer of the revolution, has been solved successfully in our country. In order to ensure succession in the building of the working-class party, the revolutionary traditions of the party should be protected and the revolutionary principle be firmly adhered to. Socialism develops unceasingly and many problems requiring new solution crop up on the way of advance. However, in the whole process from its start to its accomplishment, socialism advances through the course of inheriting, developing and enriching the exploits performed and experience gained in the preceding period. In the course of overcoming grim trials under the guidance of the party and the leader, the precious traditions to be regarded as a model forever in the revolution and construction are built up and the principle to be consistently held fast to is laid down. Our party has not only solved correctly the problem of succession of leadership but has also thoroughly protected and maintained the glorious revolutionary traditions established in the flames of the anti-Japanese revolutionary struggle and consistently kept up the chuche-oriented revolutionary lines and policies, thereby, unfailingly advancing the revolutionary cause of chuche along the road of victory.

Revolutionary organisation and discipline are the life and soul and the source of strength of the working-class party. It leads the evolutionary struggle and construction work, surmounting all trials and difficulties amidst the fierce class struggle. If it becomes an amorphous group, it can not exercise its power. Our party has embodied the principle of democratic centralism and has firmly established the revolutionary mode of party life among its members which is based on the unified rules of party life. As a result, it has strengthened and developed into an invincible militant party with a strong organisation and discipline, whose all members act as one under the leader's unitary leadership.

The working-class party should make work with people basic to its activity. Man is the driving force of the revolution and construction. Accordingly, the working-class party should solve, through organisational and political work with people, all the problems arising in party building and activity. Whether the working-class party fully discharges its mission or not depends on how work with people is done. Our party has steadfastly converted party work into work with people, that is, work with cadres, work with party members and work with the masses, and set up a well- regulated system of work with cadres, of guidance of party life and of work with the masses. This has enabled our party to firmly build up itself and revolutionary ranks organisationally and ideologically and to considerably strengthen the motive force of the revolution and, on this basis, to successfully propel forward the revolution and construction.

By embodying the chuche-based theory on party building continuously and thoroughly, we should strengthen and develop our party into a militant political organisation which is united on the basis of the monolithic ideological system and which is strong in organisation and discipline, into a seasoned political general staff which steadfastly ensures political leadership over society through work with people and into a revolutionary party of a chuche type which invariably defends its revolutionary character.

If the working-class party is to faithfully serve the popular masses in conformity with its intrinsic nature, the officials should acquire the correct method and style of work.

However correct the party policy may be, it cannot enjoy the support of the people nor can it be implemented thorougly if officials are at fault in their method and style of work. Only by establishing the revolutionary method and popular style of work suited to the nature of socialist society can the trust of the people in the party be deepened and their high revolutionary enthusiasm and creative activeness be displayed in the revolution and construction.

One of the important problems in establishing the method and style of work suited to the nature of socialist society is to fully overcome the abuse of power and bureaucracy. Being domineering and practicing bureaucracy are the old method and style of work which make officials wield power by abusing their authority and make them behave contrary to the will and interests of the popular masses. Putting an end to the abuse of power and bureaucracy among the officials is a vital demand for strengthening the close ties of kinship between the working-class party and the popular masses. An inclination may appear among some officials after the working-class party takes power, the inclination to try to solve all problems by drawing on power while being domineering and practicing bureaucracy. Originally, the wielding of power and bureaucracy have nothing to do with the real nature of the working-class party. These are the method of government of the reactionary ruling class of the old society. The appearance of such a method in socialist society is mainly connected with outmoded ideological hangovers remaining in the minds of the officials. The method and style of work peculiar to the working-class party which struggles for the interests of the people are the revolutionary method and popular style of work.

From the first days of building a new society we have set it as one of the important tasks for the party and state activity to oppose the wielding of power and bureaucracy and to establish the revolutionary method and popular style of work among the officials and have striven for it. Taking into consideration the fact that generations are changing and the number of officials who have room for revolutionary training is on the increase among the cadres, we have continuously set it as an important task to establish the proper method and style of work.

In order to put an end to the abuse of power and bureaucracy and to establish the revolutionary method and popular style of work all officials should acquire the habit of faithfully serving the popular masses with the spirit of selfless service for them. This spirit is based on the revolutionary viewpoint on the popular masses. This viewpoint considers the popular masses to be masters of the revolution and construction and the most precious and powerful beings. The revolution and construction are the work for the people and the work to be done by the people themselves. The popular masses are possessed of inexhaustible wisdom and strength. Officials should regard the popular masses as the masters of everything and most powerful beings, respect and love them, believe in their inexhaustible strength and work by relying on it. They should not be carried away by subjectivity or arbitrariness but always give ears to the voices of the masses and bring their revolutionary enthusiasm and creative initiative into full play.

Officials are not special beings over the masses but the servants who have been produced by the masses and serve them. As the servants of the people, officials should always think of the interests of the people more than their own interests. They should regard the demands and sufferings of the people as their own and help them in good time to solve difficult problems in their living and share life and death, sweets and bitters, with them.

Officials should treat all the people kindly and respect their personality, with profound humanity and heart-warming hospitality. They should value the socio-political integrity of the people, untie knotty problems in time in socio-political life and treat them without discriminations.

Officials should not be estranged from the poular masses but be on familiar term with them. They should not be fond of putting on airs, nor should they be fond of showing themselves with a show of authority but be always modest and simple in their behaviour. They should not seek their own interests and look forward to special favour and preferential treatment but live straight. They should observe the laws and regulations of the state willingly and set examples for the masses in doing difficult and arduous work.

The worthy life for the officials is to enjoy the affection and trust of the people while serving them. Faithful to the slogan of the party, "We serve the people", they should have perfect viewpoint on the popular masses, thoroughly defend the interests of the people and dedicate their all to them.

In order to put an end to the abuse of power and bureaucracy and to establish the revolutionary method and popular style of work the system of work should be set up properly. Without going among the masses, they cannot hear the voices of the masses and work in keeping with the will and demamd of the masses nor can they organise and mobilize them. Our party put forward the slogan, "Let the whole party go among the masses!" and established a well- organised system of work under which all officials go among the masses. Going among the masses to work with them has become an acquired habit of our officials and in the course of this subjectivism, bureaucracy, formalism and other outdated methods and styles of work are being overcome.

Our party has ensured that officials not only go among the masses but also keep political work ahead of all other work and solve questions by the political method. Keeping political work ahead of all other work is the intrinsic demand of socialist society which develops through the high revolutionary enthusiasm and creative activeness of the working people. Our party put up the slogan, "Let the whole party become the propagandist and agitator" and has made sure that all officials go among the masses, and give priority to political work to fire the revolutionary zeal of the working people. Our officials go among the masses and vigorously arouse them to the revolution and construction while explaining party policies to them and sharing weal and woe with them.

In order to put an end to the misuse of power and bureaucracy and to establish the revolutionary method and popular style of work ideological education and ideological struggle should be launched forcefully among the officials. The wielding of power, bureaucracy and the other obsolete methods and styles of work are a manifestation of the outdated ideological survivals and they are deep rooted. Without constant ideological education and ideological struggle among the officials it is impossible to surmount the outdated methods and styles of work including the misuse of power and bureaucracy. While making the officials arm themselves firmly with the theory and method of chuche-based leadership created by the great leader, our party saw to it that ideological education was given and ideologival struggle was launched in good time with data on positive and negative phenomena manifested in the method and style of work. In the course of persistent ideological education and ideological struggle the wielding of power, bureaucracy and other outdated methods and styles of work are being surmounted. As a consequence, the revolutionary method and popular style of work are being firmly established within our party.

In the future, too, we should continue to launch the struggle to completely overcome all manner of outdated method and style of work including the wielding of power and bureaucracy and to establish the revolutionary method and popular style of work. Thus we should strengthen and develop our party into an invincible revolutionary party which is in perfect harmony with the popular masses and enjoys their unreserved support and confidence and should lead them to accomplish the revolutionary cause of chuche with credit.

Today our people boundlessly trust the party and the leader and go ahead dynamically along the road indicated by the party and the leader. Faithful to the slogan, "When the party is determined, we can do anything" our people are striving to carry out the party lines and policies, going through thick and thin. The party and the leader believe and boundlessly love the people and the people place an absolute trust in the party and the leader and uphold them. This is the real feature of our single-hearted unity. Nothing can break the might of socialism of our style in which the leader, the party and the masses are united as one. By drawing on the might of single-hearted unity among the leader, the party and the masses, we should frustrate the anti-socialist machinations of the imperialists and the reactionaries and achieve the independent reunification of the country and win the final victory of the cause of socialism and communism without fail.

Spokesman Remarks on Nuclear Treaty Talks

OW3005015691 Tokyo KYODO in English 0141 GMT 30 May 91

[Text] Vienna, May 30 KYODO—North Korea has told the International Atomic Energy Agency (IAEA) it is ready to resume talks on a nuclear safeguard treaty, an agency spokesman said Wednesday [30 May]. The move appears to open the way for international inspection of North Korea's nuclear facilities, which Pyongyang has previously refused, analysts said.

The agency spokesman said the North Korean permanent observer mission chief to the UN office in Vienna made the indication in a letter to IAEA Director General Hans Blix last Sunday. He said the letter did not refer to nuclear weapons deployed by the U.S. forces in South Korea, which Pyongyang has cited in the past as an obstacle to a safeguard treaty.

Pyongyang suspended talks on the safeguard accord last July, when it last had negotiations with the IAEA in Vienna. North Korea signed the Nuclear Non-Proliferation Treaty in 1985. Although the treaty obliges a signatory to conclude a safeguard treaty within 18 months, North Korea has dragged out the talks, insisting that it will not accept international inspection of its nuclear facilities until the United States removes nuclear weapons from South Korea.

The IAEA rejected Pyongyang's argument, however, saying the safeguard treaty only stipulates accepting an international nuclear inspection. The IAEA said the issue of U.S. forces' nuclear weapons in South Korea is nothing to do with the negotiations.

The safeguard measure against nuclear weapons through the IAEA is one of the key issues pending in normalization talks between Tokyo and Pyongyang.

Analysts said there is a possibility that North Korea may compromise in the stalled talks on the safeguards following its announcement Tuesday that it will apply for membership of the United Nations, opening the way for the simultaneous entry of both North and South Korea into the world body.

The South Korean Defense Ministry said in April that North Korea has two nuclear reactors and is constructing a facility for the reprocessing of nuclear fuel.

Symposium Held on Method of Reunification

SK2905160391 Pyongyang KCNA in English 1510 GMT 29 May 91

["Symposium of Politicians, Scholars and Pressmen on Great Principle of Method of National Reunification"—KCNA headline]

[Text] Pyongyang May 29 (KCNA)—A symposium of politicians, scholars and pressmen on the great principle of the method of national reunification was held today at the People's Palace of Culture here.

It was attended by presidium member of the C.C. [Central Committee], the Democratic Front for the Reunification of the Fatherland Yom Tae-chun, vice-chairman of the C.C., the Korean Social Democratic Party Kim Yong-ho, vice-chairman of the C.C., the Chondoist Chongu Party Han Yong-su and scholars and pressmen.

Politicians, scholars and pressmen made speeches on the subjects "The Great Principle of the Method of National Reunification Newly Laid Down by the Great Leader Comrade Kim Il-song Is an Entirely Just Principle Whereby To Confirm the Nation's Common Way of Promoting the Reunification of the Country," "The Proposal for Founding the Democratic Confederal Republic of Koryo Is a Most Reasonable and Realistic Way of Reunification That Embodies the Great Principle of the Method of National Reunification," "The Proposal for a Political Consultative Conference for National Reunification Is a Most Reasonable and Fair Step of Negotiation To Reach a Nationwide Agreement on the Method of National Reunification," etc.

The speakers said the great principle of the method of national reunification through a confederacy based on one nation and one state, two systms and two governments laid down by the great leader Comrade Kim Il-song for the first time is a most fair and aboveboard common way of the nation for promoting the reunification of the country.

The essential demand of the great principle laid down by the great leader is to achieve the reunification of the country on a basis impartial to the North and the South, they noted.

In our country, they said, where the North and the South are not willing to surrender their systems, the unification of systems is an infeasible way of reunification and the peaceful means is the only realistic way of reunification.

The essential demand of the great principle is also to realise the reunification of the country at the earliest date possible. This principle demands that the reunification be achieved in the 1990s without fail, they stressed.

The speakers pointed out that the proposal for founding the democratic confederal republic of Koryo [DCRK] is a reunification program which fully represents the great principle of the method of national reunification.

They went on to say:

This proposal stipulates that the country is reunified by founding a confederal republic through the establishment of a unified national government on condition that the North and the South recognize and tolerate each other's ideas and social systems, a government in which the two sides are represented on an equal footing and under which they exercise regional autonomy respectively with equal rights and duties.

When the country is reunified by founding the DCRK, the North and the South will be able to realise the cherished desire of the nation for national reunification without having their interests damaged and will show to the world the resourceful and proud looks of a unified nation.

Referring to the "doctrine of recognition of entities," "argument on nation heterogeneity" and "system unification doctrine" of the South Korean authorities, the speakers said that they brought forward these arguments attaching the labels on the splittist "stage-by-stage doctrine" of their predecesors. This is to mislead the public opinion at home and abroad, keep off the great influence of our proposal for reunification through a confederacy and, furthermore, extend the socalled "liberal democratic system" under the U.S. imperialist colonial rule to the northern half of Korea, they noted.

The political consultative conference for national reunification advanced by the leader, they stated, is a form of negotiation which would lead to a nationwide agreement on the way of national reunification most successfully.

Noting that whether to support and respond to or oppose and refuse, or hesitate to accept and evade this proposal for negotiation is an important criterion which distinguishes between patriotism and treachery, between desire for reunification and division, the speakers urged the South Korean authorities to affirmatively respond, though [words indistinct], to the proposal for convening a political consultative conference for national reunification.

A letter to the South Korean politicians, scholars and pressmen was adopted at the symposium.

Proposing to hold a grand symposium of North and South politicians, scholars and pressmen in Pyongyang or Seoul or a near third country in late July or early August this year, the letter expressed the hope that the South Korean politicians, scholars and pressmen will respond to it.

We persons in the same line of work with you, who value justice, conscience and principle, call upon the patriotic conscience of you South Korean politicians, scholars and pressmem to rise up determinedly and blaze the trail in hewing the path of reunification, not merely deploring the disgrace and the tragic distress of the nation caused by division, said the letter.

Disarmament Official on UN Membership

OW2905022491 Tokyo NHK General Television Network in Japanese 1000 GMT 28 May 91

[Text] Concerning the DPRK's application for UN membership, Yi Yong-ho, chief of the Disarmament Bureau of the North Korean Foreign Ministry, who is participating in the UN disarmament conference being held in Kyoto, held a press conference and made the following remarks:

[Begin Yi recording in English] If South Korea takes a seat alone in the United Nations, there is no guarantee that those issues will be dealt with in the interest of the whole nation of Korea and in the interest of reunification. That's why we have to take a seat and try to rectify if anything goes wrong. But I strongly hope that this is a temporary situation. [end recording]

Daily Terms No Tae-u Speech 'Political Cartoon'

SK3005062191 Pyongyang KCNA in English 0457 GMT 30 May 91

["NODONG SINMUN on No Tae-u's 'Package To Save the Situation'"—KCNA headline]

[Text] Pyongyang May 30 (KCNA)—No Tae-u made a "speech on administrative measures" called "package to save the situation" at Chongwadae [presidential office] on May 28. He made a long harangue interlarded with threat, and appeasement and deception on matters of demonstration, public welfare, economy, "administrative reforms" and "democratisation".

Branding his speech as a political cartoon to cover up and justify his murderous and violent atrocities, a news analyst of NODONG SINMUN today says:

If he were to make a "speech" setting out "administrative measures" he should have elaborated first of all on the acute political confrontation between democracy and fascism, which stands out as the most serious pending issue in South Korea, and the present situation of South Korea in which tragic bloodshed continues after the fatal beating of student Kang Kyong-tae, and raised such fundamental matters as the termination of the "security-oriented rule" and the resignation of the "Sixth Republic".

No Tae-u, however, completely shelved these issues and wagged his tongue about secondary matters.

While committing himself to "guarantee" of peaceful rallies and demonstrations, he threatened that he would "frontally react" to "violence" and root out the "forces of leftist class revolution" to "overthrow the democratic system". Needless to say, this revealed his intention to harshly crack down upon South Korean students and people calling for independence, democracy and reunification by branding them as "forces seeking to overthrow the system".

As for the "forces of leftist class revolution" over which No raised such outcries, it means the patriotic national democratic forces, and his grumble about "leftist revolution" and "red literatures" is his trite anti-communist plot to find a pretext for suppressing the movements for independent reunification against the U.S. and for democracy against fascism.

Intentionally slighting the grave political crisis in South Korea, No tried to appease and deceive the people by bringing forward such matters as "public welfare and economy" and "democratisation and constitutional revision".

He has made a long string of "commitments" to the people, but none of them has been honored.

By failing to set out concrete measures to save the situation in his "speech," he made it plain that he had no plan or capacity to bridge over the present political crisis. In other words, he has no face or justification to stay in power any longer.

The No Tae-u ruling group intends to get a breathing spell with the deceptive "measures to save the situation", but it is a grievous mistake.

KCNA Reviews 30 May Pyongyang Press

SK3005062591 Pyongyang KCNA in English 0445 GMT 30 May 91

[Press review]

[Text] Pyongyang May 30 (KCNA)—Papers here today carry a photo-illustrated report that the great leader President Kim Il-song received the Maltese Government delegation and news that the dear leader Comrade Kim Chong-il was presented with a gift by the head of the delegation.

The speech of President Kim Il-song at the opening session of the 85th Interparliamentary Conference was reported by foreign news media, says NODONG SINMUN. Given in the daily is an account of seminars on his speech held abroad.

The daily carries the first instalment of a serial article on the greatness, wise leadership and immortal feats of President Kim Il- song under the fixed title "Immortal History Shining With Victory and Glory". The first instalment tells about the undying revolutionary feats of President Kim Il-song till he formed "Down With-Imperialism Union" on October 17, 1926 since he set out on the "one thousand-ri long journey for liberation" on January 22, 1925.

"Our socialism for the people will not perish", a work of Comrade Kim Chong-il, was reported by AFP [Agence France-Presse] and Reuter and is evoking great repercussions among our working people, says the press.

Echoed in NODONG SINMUN are words of South Korean people deeply revering Comrade Kim Chong-il.

MINJU CHOSON carries the first instalment of a serial article on the wise leadership and brilliant feats of Comrade Kim Chong-il under the fixed title "Under the Rays of Great Guidance". It deals with the conversion of Sakju County, North Pyongan Province, into a people's paradise good to live in under the wise guidance of Comrade Kim Chong-il.

The daily editorially calls for effecting a great revolutionary turn in the geological prospecting work.

The prime minister of Mauritius and the general secretary of the Central Committee of the Workers' Party of Switzerland respectively met with the ambassadors of the DPRK to their countries, says NODONG SINMUN.

Carried in the press is news that Kim Hwi-won, former chairman of the Kangwon Provincial District party committee of the "Reunification Democratic Party" of South Korea and central permanent member of the "Democratic Liberal Party," visited the international friendship exhibition.

Given in the press are an account of a symposium of politicians, scholars and pressmen on the great principle of defining the method of national reunification held in Pyongyang and a letter to the South Korean politicians, scholars and pressmen adopted there.

NODONG SINMUN reports that a solidarity letter to the foreign minister of the DPRK was sent by the Colombian counterpart in support of the proposal for peace in Korea and her reunification.

Appearing in the press is a statement released by the Korean Students Committee in denunciation of the South Korean authorities' brutal murder of woman student Kim Kwi-chong of Sungkyunkwan University in Seoul.

The press reports about the anti-"government" struggle of the South Korean people. It rounds up voices of public figures at home and abroad condemning the South Korean authorities for continuing to commit brutal murders after the murder of student Kang Kyong-tae and supporting the South Korean people's anti-"government" struggle.

Papers come out with commentaries denouncing the "proposal to save the situation" brought forward by No Tae-u.

The press informs the readers that the May 27 issue of the Soviet paper PRAVDA carried an article on the third round of the intergovernmental full-dress talks for the normalisation of DPRK- Japan diplomatic relations which closed without results, the Leningrad committee of public initiatives in an appeal to the 4th congress of people's deputies to the Russian Soviet Federative Socialist Republic called for defending the name of Leningrad City and the government of Afghanistan supported the five-point basic principles for the political settlement to the Afghan issue put forward by the secretary general of the United Nations.

NODONG SINMUN runs an article saying that the aggressive nature of the U.S. and other imperialists can never change.

South Korea

No Tae-u Speaks at Cabinet-Party Meeting 28 May

SK2905015591 Seoul KBS-1 Television Network in Korean 0000 GMT 28 May 91

[Speech by ROK President No Tae-u at a joint session of cabinet members and senior officials of the Democratic Liberal Party at Chongwadae—live]

[Text] The cabinet has been reshuffled and the government is headed by a new prime minister. Thus, today we are holding a joint session of party and government officials at Chongwadae to pledge our new resolution.

When reflecting on the situation at home and abroad, we are faced with an important crisis in the nation's development. The people's eyes toward the government and the ruling party is prickling due to a series of violent demonstrations during the past month. There is also the same amount of expectation and hope.

The newly appointed prime minister, cabinet members, executive chairman and co-chairmen of the party, party leaders, and myself are all sharing the responsibility of this country.

The future of our nation and people are dependent upon whether we, the government ruling party, can fulfill the duty put forth by this era and by the people.

The reason we have gathered here today is to have an understanding of the situation of the current state of affairs and the situation of this era. This gathering is also to establish a firm direction in which to move foward so that we, along with the people, can pioneer a bright future for the nation.

At a time when there is a worldwide collapse of the communist system; when there are less and less violent forces in campuses and dissident forces in accordance with the development of democracy; and when these violent forces are losing ground, the series of violent demonstrations during the past month due to the death of Myongji University student Kang Kyong-tae was a very regrettable incident.

Whatever the outset, I believe that these kinds of continued demonstrations in Seoul and throughout the nation show that there are elements of dissatisfaction and discord at the base of the people. I accept this process with a humble attitude and feel deep responsibility for this.

I have also deeply thought about what the people's desires are regarding this incident and have made efforts to listen to the people's voices. An absolute majority of the people hope that with a more firm vision and faith, the government-ruling party can establish true stability that can resolutely resolve various issues which the society is faced with.

During the past month, the majority of the people silently carried out their everyday lives, and thus our economy for May was improved. Compared with last year, export for May increased by 25 percent and prices have also been stabilized conspicuously.

Due to various issues that have been created and due to continued demonstrations, I appointed a new prime minister and carried out a cabinet reshuffle. This was to soothe the people's minds which are in a state of anxiety and to provide a new turning point.

From now on, the government must work with a new determination and new attitude so that we can truly satisfy the people's desires. The political bloc must also put into practice new efforts to carry out political reform.

The people will no longer tolerate politics for politicians or politics that deepen mistrust. Politics for the people, politics that integrate various societies, and politics that realize the people's unity must be shown to the people from now on.

I would like to talk about some important tasks which the government ruling party must fulfill. The first task is to guarantee peaceful demonstrations. I would like to talk about the issue of demonstrations which is directly linked with the recent incident.

The government will guarantee peaceful demonstrations in the future. Especially, in a democratic society, demonstrations must be the last resort for expressing opinions and this must not cause inconveniences in the everyday lives of the people.

Through dialogue, the government must accept just demands of various groups with different interests and must assume a positive attitude of resolving those demands. Along with this, the people must correct their wrong trend of trying to fulfill their demands by collective action.

Was not the Kang Kyong-tae incident, which began within the campus, an incident that should have been resolved within the campus through dialogue? Violent and destructive acts of using rocks, Molotov cocktails, wooden bars, and steel pipes which are prevailing cannot be justified under whatever reason. The government will by no means tolerate this. The government will take no step backward in fighting against violence.

University students who were wounded and died while the riot police used violence to quell demonstrations is truly a painful incident. It is not well known to the people, but many riot police have suffered burns due to Molotov cocktails and have been wounded seriously because they were hit by rocks and wooden bars.

Whose children are they? They are the children of our people. Over one hundred riot police are in hospitals at this time being treated for injuries that they suffered while quelling violent demonstrations.

We will root out left-leaning forces which wage a class struggle to overthrow the democratic system using force of arms. Placards that call for the liberation of the masses and the establishment of a provisional government and that inspire a leftist revolution were flying during the recent demonstrations, and red-lettered printed materials were openly scattered. This is a serious matter. The world is surprised to see on television these demonstrations in Seoul which bear a close resemblance to street battles, and in which these slogans were resounded, and in which violence was rampant. What can our country get from this?

Even North Korea has carried reports on our demonstrations day after day, saying as if a communist revolution were taking place. I hope that after listening to the views of people from all walks of life, the cabinet will map out and implement countermeasures at the earliest possible date to handle assemblies and demonstrations.

Even laws must be revised if necessary. We will not send force of authority into universities to quell illegal demonstrations unless they ask us to, and we will make every effort to let universities resolve their problems by themselves. We must let universities handle campus affairs by themselves.

The second issue will be the people's livelihood and the economic problems. I know very well that the people are very uneasy over and discontent with prices and the housing problem, and that very many of our people are worried over the future of our economy. Prices have been unstable this year. In particular, people generally believe that the price increases which our housewives actually feel at markets are much greater than the government announces they are. Prices for agricultural, fisheries, and livestock products have highly risen. Therefore, people feel the crunch more severely. This has spurred inflationary tendencies, which are a problem.

Fortunately, prices have become stable in May, and if this tendency continues, we will be able to record only single-digit inflation this year.

The government will make every effort to stabilize the economy because it would be difficult to stabilize labor-management relations and boost exports without stabilizing prices. Prices can be controlled only when the government, businesses, households, and all the other leading economic sectors join efforts. Because the scale of our economy has massively increased, prices cannot be controlled when the government alone makes efforts toward this end. Only when all the people make joint efforts can prices be controlled. This is what all the people must know.

The government will restrict its expenditures and investment in all sectors to the utmost and will carry out stable financial and monetary policies this year and next year. The government will reschedule even those projects—plans for which have already been mapped—depending upon whether they are urgent or not. I hope that the deputy prime minister and other ministers concerned will present to the people clear-cut policies on how to control public utilities fares and fares of other services that the government can exert influence on.

On top of these efforts by the government, the businesses must reduce cost prices and refrain from increasing the prices of their products. The workers must cooperate to ensure that wages are increased within the limits of productivity increases. In particular, leaders in society must refrain from excessively spending money and must play a leading role in achieving economic stability and popular harmony.

The money supply used to be increased during elections, which spurred inflation in return. We must make efforts to ensure that not only the upcoming elections for municipal and provincial assemblies but also next year's elections are held fairly in which virtually no money is spent.

Learning a lesson from the 26 March elections for primary-level assemblies, we will thoroughly ferret out vote buying and other election fraud and, we will handle any violators on legal terms irrespective of whether they are from the ruling or opposition party.

I will discuss the housing problem. Prices of apartment houses and land have skyrocketed for the past three years, which greatly dismayed the workers and low-income families. I feel very sorry about this. I think that we failed to correctly control the flow of money when we were in the black and were enjoying favorable business climates. We recorded $28 billion in a trade surplus for four years from 1986. The current price hikes were caused by the fact that this great amount of money poured into real estate, stock markets, and consumption, not into productive sectors such as the manufacturing industries, foreign investment, and the infrastructure.

The housing problem cannot be solved overnight. However, our comprehensive efforts for the past three years began to show results in earnest. The construction of all of the 2 million housing units will have been started by the end of this year. A total of 1.1 million new housing units will be supplied for two years—500,000 units this year and 600,000 units next year.

An average of around 200,000 units were built a year in the 1980's. The accumulated supply shortages have driven housing prices up. Supplying more than double the number of housing units that there once was will stabilize housing prices naturally. Of the 500,000 units whose construction will be completed this year, 420,000 units will be rented or supplied to workers and low-income families. A man can buy a 20-pyong [one pyong equals three square meters] new house with a mere 20 million won with a 15 million-won bank loan. Low-income families and workers can realize their dream of owning their own house with this amount of money, even though it is a fact that housing prices have risen steeply.

The government will continuously carry out the policy of letting public sectors build housing units for low-income families and will supply these units to those who have no house at all. If the policy of building approximately 500,000 housing units a year is continuously carried out, the housing problem will be completely solved in our society in less than 10 years. I hope that the deputy prime minister and other ministers concerned will map out policies to help poor, homeless people buy a house and will present those policies to the people.

I heard the media report that it has become much more difficult for poor people to have a house. I feel very bad about it. Still, I think the report was incorrect. I hope that the construction minister will again assess the housing problem to ensure that the people do not feel uneasy about the housing problem.

Building 2 million housing units in four years in a country with the economic size of our country is unprecedented in any other country. This massive construction project has brought such adverse effects as wage increases and shortages of construction materials. This has also adversely affected other sectors. However, we have strongly pressed ahead with this construction plan in the belief that the housing problem must surely be solved for our economic development and social harmony, in spite of these problems.

The next issue is land. Firmly believing that real estate speculation must be eradicated, I have pressed ahead with the task of promulgating laws on land and have asked businesses to sell real estate which they own for non-business purposes. Various tax systems will be effective starting this year to fundamentally prevent businesses from speculating on real estate and owning excess real estate. The business conglomerates will sell all real estate which they own for non-business purposes.

The government will gradually increase taxable real estate values to market values and will use all the administrative devices to prevent real estate speculation. I believe that these measures will stabilize land prices and that the people's belief that they can earn money by way of land speculation will change in the not too distant future. In addition, the government will boldly reform the land system to ensure that land for houses and plants is smoothly supplied to genuine consumers.

Wealthy people use to evade donation and inheritance taxes, thus making it possible to illegally inherit wealth. This has been an important cause for class conflicts. We will modernize and reform the tax system to ensure that they pay those taxes without fail.

It is a fact that rural areas are less developed than cities and that farmers and fishermen are facing various difficulties. If our agriculture remains small-scale, our rural areas will not be prosperous even without our opening agricultural markets. We must take advantage of the Uruguay Round as an opportunity to develop our rural areas into wealthy ones. I believe our people will pool their wisdom to do so. To this end, the government will strongly carry out the policy of restructuring agriculture and will continuously invest in developing rural areas and improving their living conditions.

I will discuss the economic development and the political circles' roles in this task. Our economy is still registering a high 8.9 percent annual growth despite 100 percent wage increases, labor-management disputes, more regulatory restrictions in foreign markets, the Gulf war, and various other difficulties at home and abroad. This is very encouraging. Prospects are that we will be able to reduce our deficits in the international balance of payments to approximately $2 billion this year, and that we may be able to register a surplus next year if we make efforts.

The government will strongly carry out the policy of beefing up competitiveness in the manufacturing industries and will make positive efforts to expand roads, ports, and railroad facilities.

Politics is intended to make people live happily and make the country prosperous. Irrespective of whether they are ruling or opposition parties, political circles must take the lead in solving livelihood and economic problems.

Third, I would like to talk about administrative reforms. Despite the recent trend in which the whole society is experiencing stupendous changes in the course of democratization, no change has yet to take place in the climate in our government organs and other public organs. This is why the people's discontent and distrust are growing high today. All policies and administrative work should be enforced in a rational way. In other words, they should be established and carried out in conformity with the demands of the people. However, all government organs, ranging from ministries to the lowest government organs, have tended to stick to old practices and neglect the need to rectify irregularities in a responsible manner. Instead, they have tended to exercise only their prerogatives, regarding them as their own vested rights. Frankly speaking, this is precisely today's reality.

The bureaucratic climate in our government organs should be eliminated in response to the rapidly developing social and economic situation, and according to today's trend of the democratic development of society. All ministries should enforce such an administration as to resolutely remove all administrative policies which constitute hindrance to the people, and to actively settle the people's difficulties and all bottlenecks in our society. Ministries should not adhere just to their own interests and assertions because such a climate will result in the failure of the effective enforcement of policies. Therefore, all ministries should eliminate such a climate. When a policy is closely linked with many ministries, the ministries concerned should establish a cooperative system and settle it jointly. With the enforcement of the local autonomy system, central government organs should resolutely transfer their prerogatives to local governments. They should also transfer their prerogatives to civilians, if necessary.

Fourth, I would like to mention the democratization which we have consistently carried out and the issue of revising the Constitution which has been debated recently among people. As you know, on the issue of democratization the 29 June declaration was a historic turning point which opened the road of genuine democracy in this country. After the declaration, the government was born through direct presidential elections by the people. Since then, freedom of press and political activity have been guaranteed, and the independence of the Judicial Branch and the three labor rights have been ensured. Thus, repression by power has disappeared in all sectors, and authoritarianism has been liquidated. The course of democratization presupposed the people's sufferings and tremendous pricetag. However, we have carried out democratization amid the people's consensus that this is the only way to lead the people to lead a life worthy of mankind and of building a country worthy of its name.

As president, I as well had to be patient and endure sufferings, but I have never renounced in my heart even for a moment that it is my duty assigned by history to enforce democracy on this land.

The elections of deputies to local councils in big cities and provinces will be conducted soon. The conduct of the local autonomy system is the realization of the last promise in the eight-point 29 June Declaration and is proof of my firm will for democratization. There are some people in our society who complain about the slowness of the pace of democratization. On the other hand, there are those who complain about the rapid promotion of democratization. Democratization is a big change which alters the way our society lives. Therefore, it is inevitable for our people to have some complaints in this course. However, efforts by those forces which try to overthrow the legal government elected by the people, or whoch attempt to perpetrate without hesitation illegal and violent acts in the name of calling for democracy and to call for demoratic reforms, are nothing but a camouflage.

For those political forces which, together with the ruling and opposition parties, created the democratic Constitution of the Sixth Republic, and which therefore have responsibility to abide by it, then to prowl about the sites of violent demonstrations is a self-contradiction and hypocrisy. This is not conducive to the development of democracy.

As long as I assume the supreme responsibility for state affairs, there will never be such a thing which runs counter to or retreats from democracy. Under all circumstances I will abide by our democratic constitution established by the ardent desire of all the people for democracy. I will accept any struggle if it is really for democracy and for the country.

On the issue of revising the Constitution in favor of a parliamentary government system, some political forces have instigated the people, insisting as if debates on revising the Constitution in favor of the parliamentary government system were a scheme by the government to prolong its power. They also have insisted that debates on revising the Constitution in favor of the parliamentary government system is the source of the current chaotic situation.

It is natural to debate on constitutional revision in a democratic society. It cannot be prohibited in a democratic society. Who can prohibit it? People can debate on constitutional revision freely in all countries, except in a dictatorial state. In the 29 June Declaration I made clear that although I think the parliamentary government system is a desirable system for the development of democracy, I chose the direct presidential election system because the majority of the people did not want a parliamentary cabinet system. No matter how good a system may be, if the people do not want it, we cannot accept it. This was my firm faith at that time, and this has not changed at all even today.

I have officially revealed my will on many occasions. Nevertheless, after spreading the rumor that the constitutional revision for a parliamentary government system, on which we have never contemplated, is being promoted, some political forces are waging a political offensive calling for us to renounce it. I see that the majority of the people for now do not want a parliamentary government system. Under these circumstances, in which the majority of the people do not want a parliamentary government system, the revision of the Constitution into a parliamentary cabinet system cannot be carried out nor should it be carried out. This is my firm belief. Revising any policies, including the Constitution, should not be carried out if the people do not want to do so. This is my belief. Here I will make clear that I have never stepped aside from my firm faith that I expressed in the 29 June Declaration, nor will I do so in the future.

As far as a change to a parliamentary government system is concerned, there should be no suspicion. Political circles should no longer cause unrest among the people by making the parliamentary government system a political issue. The ruling and opposition camps should pool their strength so that the political schedule prescribed by the Constitution will be carried out smoothly.

Fifth, I will mention the need for intraparty democracy and the renovation of the political climate. Our people say that despite the rapid development in all sectors, including the economc and social sectors, only the political sector remains unchanged and without development. They say that despite the rapidly promoted democratization in all sectors of society following the 29 June Declaration, the political circles of our ruling and opposition parties have achieved democratization the least. To our regret, this is true.

Such distrust of the people toward politics has reached a serious stage today. The Democratic Liberal Party [DLP], the ruling party which assumes responsibility for this era of today, should realize intraparty democracy so that it can become a political party which enjoys the confidence of the people.

The party's major internal issues should be decided based on fair and impartial democratic procedures. Our party should be comprised of top-ranking party officials and members who always stay among the people, sharing everything with them.

The next government that will replace mine also will be chosen only according to the will of the people. The party and politicians cannot provide guidance over state affairs unless they are trusted by the people.

The DLP should take the lead in reforming the political climate with a humble attitude and self-examination.

Our people stand at a high intellectual level and can no longer be easily cheated by remarks made to curry favor with popular opinion or by the same old politicians who have placed partisan and personal interests ahead of national or public interests. Such politicians are bound to be removed from the political stage.

Those who are in the party should reform themselves so as to make the party take responsibility before the times and people, going through the pains of a second birth.

In addition, we face a mountain of tasks, taxing tasks. The world is in the middle of great changes, developing to a new order. Even South-North relations have now reached a great turning point. We are in a situation that could reach a crucial phase at any given moment.

After hearing what I have said today at this meeting, the party should take steps and the cabinet should work out plans for what can be done, and put them into practice by forming a perfect whole to prove to the people that the party and the government can change themselves.

The government, the ruling party, and all of us should renew our resolve to respond to the call of the times before history and the people, and should pledge to vigorously lead the national development based on firm stability.

Thank you.

Reaction to North's Decision To Seek UN Entry

South Mission Chief Interviewed

SK2905144491 Seoul KBS-1 Television Network in Korean 1200 GMT 28 May 91

[Interview with No Chang-hui, ROK ambassador at the United Nations, by KBS anchorman Pak Song-pom, on 28 May in New York]

[Text] [Pak Song-pom] It is eight in the morning of 28 May in New York, the American city that houses the UN Headquarters.

Ambassador No Chang-hui of the ROK mission to the United Nations is linked to the studio via satellite.

Hello, Ambassador No. The entry of our country into the United Nations, a goal successive ambassadors of the ROK mission to the United Nations have striven to achieve, is likely to be realized at long last, during your tenure Ambassador No.

First of all, I would like you to comment, as our country's ambassador at the United Nations, on North Korea's announcement that it will apply for UN membership.

[No Chang-hui] The news that reached us today is indeed delightful for us here at UN Headquarters. In my view, at long last North Korea seems to have made a correct judgment.

Now that North Korea has changed its stand, the South and North will become members of the United Nations shoulder to shoulder, based on the same qualifications. If and when this happens, our long-standing dream, what our people and government have long dreamed of, will come true.

[Pak] North Korea, while officially insisting on the South and North representation at the United Nations under a single national name, has had its mission officials contact our side concerning the entry issue. Also, Ambassador No, we understand that you met with North Korea ambassador yesterday. In what way are you willing to cooperate with the North Korean side in the course of applying for membership?

[No] As is widely known, we have recently sensed on many occasions that North Korea's stand on the issue of UN membership had softened a bit. We, the ones on the front here, felt it more clearly than elsewhere. This notwithstanding, the timing that North Korea chose to release such a statement caught us unaware.

At any rate, from now on the two sides will have to take steps that can be mutually accepted with satisfaction by the two sides through working discussions. So it is our hope that we can talk with the North Korean ambassador more closely, more seriously. I believe that it will turn out the way we want it.

[Pak] Even in the statement released to announce a plan for applying for UN membership, North Korea has avoided using the words "simultaneous admission." It seems that our side wants to apply, if at all possible, for UN membership along with North Korea. I presume that there will be no problems at all if the two sides choose different timings to apply for UN membership, or is there?

[No] Of course not. Let me be a little more specific about it: In 1973, when East and West Germany applied for UN membership according to an agreement reached between them, the two Germanys filed their applications separately. Although the two countries filed applications separately, the UN Security Council and the General Assembly approved their requests in a single resolution. So, we would like to see the South and North file a single application as a way of emphasizing and symbolizing the significance of the simultaneous admission of the South and North into the United Nations.

However, I do not think it absolutely necessary to see that happen. I hope that the South and North will be able to discuss all such issues open-mindedly.

[Pak] It was last night local time in New York when North Korea announced its decision to apply for UN membership. Now it is morning, the next morning so to speak, so I think it is too early to expect any official reactions from UN officials.

Nevertheless, let me ask you: Have you heard any UN officials whom you might have contacted so far tell you their reactions?

[No] As you just mentioned, it is eight in the morning. Therefore, it is too early to expect any official reaction. However, in view of what we have sensed so far, the international diplomatic community, and the United Nations in particular, will very much welcome it.

Already a few ambassadors of our close friendly nations called me to offer congratulations, despite the late hour.

[Pak] Mr. Ambassador, you may find it a little difficult to answer my next question given the fact that you may have contact with the North side's ambassador.

How do you view the background against which North Korea has abruptly changed its attitude as such? Be brief, please.

[No] I believe that North Korea has had no choice but to accept the stream of the times that our long-standing, tenacious, and consistent call for the South and North to get simultaneously admitted into the United Nations is the most reasonable and best proposal. However, if North Korea has some reasons that keep it from doing so, the ROK will go ahead and get admitted into the world body before North Korea does. Not only does this correspond to the universal principles of the United Nations; but also it is the one, only, most reasonable, and most practical proposal. This principle has been well accepted by the international community.

[Pak] Ambassador No Chang-hui, thank you for being with us in this live coverage, from this early hour of the day.

[No] Thank you very much.

Stance Encourages Hopes for Summit

SK2905015391 Seoul YONHAP in English 0056 GMT 29 May 91

[Text] Seoul, May 29 (YONHAP)—South Korea, encouraged by North Korea's decision to join the United Nations, will make every effort to realize an inter-Korean summit around the time the two Koreas enter the world body this fall, a highly-placed government official said Wednesday.

The meeting between Presidents No Tae-u of the South and Kim Il-song of the North could be held in Seoul, Pyongyang or any other place chosen by Kim, the official said.

"North Korea's decision to apply for U.N. membership signals a fundamental change toward opening in its foreign policy and in relations with South Korea. We believe the North's attitude will also change in regard to the summit," he said.

North Korea has rebuffed repeated calls over years by South Korea to have the top leader of each side meet for talks on easing tensions and eventually unifying the divided peninsula.

Seoul would call on Pyongyang some time this week to return to the conference table for the fourth round of prime ministers' talks, scheduled February but unilaterally postponed by the North to protest the annual South Korea-U.S. "team spirit" military exercises, he said.

"When the fourth premiers' talks are held in Pyongyang, we will reiterate our call for the South-North Korean summit. We hope the summit will take place at around the time the U.N. General Assembly acts on our membership applications on Sept. 17," he said.

North Korea has maintained that an inter-Korean summit could be held only if South Korea gave up its unilateral bid for U.N. membership.

"The summit can take place wherever: In Pyongyang, Seoul or any other place North Korea chooses," he added.

Heads of state or foreign ministers usually address the U.N. General Assembly when their nations become members, but a summit at U.N. headquarters in New York is unlikely given North Korean leader Kim's age, 79, and his shunning of capitalist countries, he said.

In a complete policy reversal, North Korea said Tuesday it had reluctantly decided to apply for U.N. membership.

"The government of the Democratic People's Republic of Korea has no alternative but to enter the United

Nations at the present stage as a step to tide over such temporary difficulties created by the South Korean authorities," the official Korean Central News Agency reported.

Seoul has long argued for the two Koreas to file separate applications for U.N. membership, and Pyongyang always rejected the offer, claiming such a move would perpetuate the division of Korea into the capitalist South and communist North at the end of World War II.

Stance Called 'Desperate Turnaround'

SK2905020091 Seoul THE KOREA TIMES in English 29 May 91 pp 2, 10

[Report by Kim Chang-yong]

[Text] North Korea's sudden decision to apply for United Nations membership is expected to clear the way for separate entry into the world body by Seoul and Pyongyang and further lead to its recognition of the existence of two Koreas which the South has long deemed pivotal for "peaceful coexistence."

The North's decision is a desperate turnaround of its policy opposing Seoul's proposal of simultaneous admission by both Koreans on the basis of its theory that separate membership would "perpetuate" the split of the peninsula.

Entry into the UN has long been South Korea's prime diplomatic goal and served as a decoy with which it drew the North into the prime ministers' talks.

In the first round of the highest-level inter-Korean talks in Seoul last September, the North put forward the compromise idea of sharing one UN seat with bimonthly representation on a rotating basis, an idea which Seoul immediately called "impractical and unreasonable."

After several working-level negotiations on the UN issue requested by the North at contacts on political and military matters and propaganda battles, each has gone its way and inter-Korean dialogue has remained suspended.

Seoul has reaffirmed its stance of pushing ahead with its bid for a sole UN membership in the belief that this would force Pyongyang to follow suit, making aggressive diplomatic efforts with its superior economic strength.

Earlier this year, it announced that it would apply for the UN seat sometime around this fall.

During the first five months alone, five foreign state leaders including Soviet President Mikhail Gorbachev and German President Richard von Weiszaecker have visited Seoul at the invitation of President No Tae-u with the UN issue on the top of their agendas.

Eight foreign ministers have also tripped to Seoul so far this year. In addition to the rush of top foreign diplomats, the administration has sent high-powered missions led by former prime ministers or other heavy weights, to rove the six continents in search of support in the UN General Assembly for a vote on the South Korean application.

Seoul's strenuous dash to world body membership has vexed the Kim Il-song government. Pressed by participants in the Inter-Parliamentary Union conference in its capital earlier this month to open its society and improve human rights situation, Pyongyang has aired signs of changing its rigid isolationist policies.

Options open to Pyongyang were either to let Seoul score another diplomatic triumph and become ever more isolated from the international community or jump into the race to the UN.

But it seemed to have adroitly calculated the timing of its announcement to maximize the effect of its drastic shift of policy. Pyongyang, which has censured the No administration for the April 26 police killing of a student and other "brutal" cases, has overshadowed No's package of measures to settle the still brewing crisis and ridiculed Seoul that has schemed to join the world body ahead of Pyongyang for another diplomatic score.

South and North Korea tendered separate applications for the UN seats competitively in the 1970s but the North's stunning announcement this time will assure that both Koreas will become members of the largest international organization.

Seoul, a child of the UN, with an election watchdog group from the organization enabling it to establish the first modern government in 1948, gave a "welcome" to the North's announcement despite its bad timing and vowed to make efforts to see both Koreas get parallel UN membership.

In the long run, the separate membership of the UN, which both sides cite just as an "interim" step pending unification, will assure the Korean peninsula of more stability and peace, analysts observed.

"The North's departure from the longtime isolation policy suggests that moderates have gotten a bigger say in policy-making in the communist Kim Il-song dynasty," one analyst said. "We can anticipate that the North will soon resume dialogue with us and eventually comply with international pressure for the acceptance of on-site inspection of its nuclear facilities," he said.

Pyongyang's decision on the UN question will further ease China of a burden in deciding whether to normalize ties with South Korea, a senior Foreign Ministry official viewed.

China, still the closest supporter of the North despite all the huge trade volume with the South, has been the only country among the five UN Security Council permanent members which has reserved a position with regard to South Korea's application.

Move End of 'One-Korea Doctrine'

OW2905115391 Tokyo KYODO in English 1049 GMT 29 May 91

[Report by Kim Chang-yong: "News Focus: N. Korea's Move To Join U.N. Shows New Flexibility"]

[Text] Seoul, May 29 KYODO—North Korea's decision to seek separate membership in the United Nations may signal a new flexibility on other issues dividing it from South Korea, Japan and the United States, diplomats and analysts said.

Pyongyang's reluctant acceptance of Seoul's call for both governments to join the world body—in a move to end North Korea's diplomatic isolation—was a major triumph for South Korea's President No Tae-u.

The decision brings Pyongyang, which has always insisted that it is the only legitimate government on the Korean peninsula, closer to recognizing the existence of the rival regime in Seoul.

This means the end of the North's "one-Korea doctrine," South Korean Vice Foreign Minister Yu Chong-ha told KYODO NEWS SERVICE on Wednesday, calling the move a "turnabout in its isolation policy."

The policy shift also eases the path to eventual "cross recognition," which South Korea sees as a step toward peace and stability pending unification, he said.

Cross recognition would involve the Soviet Union and China establishing relations with the capitalist South, along with the United States and Japan setting up ties with the Communist North.

Seoul last year established relations with Moscow and agreed to exchange trade offices with Beijing.

Pyongyang, for its part, is involved in normalization talks with Japan, though it calls these negotiations different in character from Seoul's moves toward closer ties with socialist states, which it denounces as a "plot to perpetuate the division" of the Korean peninsula.

The decision may give new impetus to the stalemated normalization talks between North Korea and Japan.

Last week, the two countries ended their third round of normalization talks on a sour note, unable to agree even on when to meet again.

Tokyo had pressed Pyongyang to agree to Seoul's formula for U.N. membership, and to admit that its jurisdiction covers only the northern half of the Korean peninsula.

Pyongyang has now resolved the first issue, and has shown flexibility on the second.

But the two sides are still far apart on Japan's demand that Pyongyang open its nuclear facilities to international inspection.

Pyongyang is more likely to allow inspections in the wake of its concession on the U.N. issue, according to An Pyong-chun, a professor at Seoul's Yonsei University, who noted that North Korea is eager for better ties with both Japan and the United States.

Washington has urged Tokyo not to set up ties with Pyongyang until it opens its nuclear facilities to inspection by the International Atomic Energy Agency.

Pyongyang's abandonment of its decades-long opposition to separate membership comes as a major diplomatic victory for President No's administration, shaken at home by a month of violent antigovernment demonstrations.

Seoul, boosted by its diplomatic breakthroughs in Eastern Europe and the Soviet Union, had warned Pyongyang that it would seek unilateral membership in the world body if the North did not agree to join simultaneously.

In March, Seoul announced that it would apply for U.N. membership this fall, and stepped up efforts to win support for its bid from U.N. member countries.

In recent weeks, Moscow, traditionally a staunch ally of Pyongyang, had made it clear that it would not use its veto power on the U.N. Security Council to block Seoul's application for separate membership.

But, with only one "no" vote by a permanent member needed to block an application, Pyongyang thought it could still depend on its other traditional backer, Beijing.

That hope apparently faded during Chinese Premier Li Peng's visit to Pyongyang earlier in April.

All indications are that Li told North Korean leader Kim Il-song that China would not veto South Korean membership, leading Pyongyang to the reluctant conclusion that it had only two choices—joining the U.N. on Seoul's terms or diplomatic isolation.

The South had applied for U.N. membership 14 times and the North five times between 1949 and 1975 but, with the cold war at its height, both sides' applications were doomed to defeat.

Both North and South currently have only observer status at the U.N., with no voting power.

In May last year, the North proposed the two sides share one seat, alternating ambassadors, in a formula the South rejected as "impractical and unreasonable."

Five months later, the North hinted at a relaxation in its position when Pak Kil-yon, its permanent representative at the U.N., said "there may be various solutions to the U.N. issue in conformity with reunification."

Seoul To Revise Foreign Policy

SK3005013891 Seoul YONHAP in English 0106 GMT 30 May 91

[Text] Seoul, May 30 (YONHAP)—South Korea intends to shift its foreign policy keynote from a war of diplomatic attrition forced by its confrontation with North Korea to more pragmatic, economic diplomacy, officials at the Foreign Ministry said Thursday.

Personnel will be moved from diplomatic missions in Africa and the Middle East to Eastern Europe as Korea revamps its diplomatic network in response to North Korea's decision to the United Nations, they said.

"It is now certain that South and North Korea will enter the United Nations in September and there will be no more exhaustive competition between the two sides to garner foreign support for each formula for U.N. admission," a ministry official said.

The ministry's recently inaugurated Diplomatic Policy Planning Office is working out details of the overhaul, he said.

Upgrading economic cooperation with other nations and substantially improving ties with former east-bloc countries will be the main tasks for South Korean diplomats, the official said.

Efforts will also be made to facilitate diplomatic relations with China, and to enhance cooperative ties with Egypt and other nations that have formal relations with North Korea but not with South Korea.

The official admitted that Africa and the Middle East had been the field for intense inter-Korean rivalry aimed at winning support in such international forums as the United Nations and the Non-Aligned Movement.

"Such hemorrhagic diplomacy is no longer needed. The 37 missions we have in the region may be subject to personnel or budget cuts. Some may even be closed," he added.

No May Deliver UN Keynote Speech

SK2905141691 Seoul YONHAP in English 1344 GMT 29 May 91

[Text] Seoul, May 29 (YONHAP)—South Korean President No Tae-u may seek to deliver a keynote speech at the General Assembly of the United Nations if simultaneous entry of South and North Korea were realized this fall, Foreign Minister Yi Sang-ok said Wednesday. Yi made the remarks in an interview with the KBS-TV.

A well-placed govermnnent official, meanwhile, said the presidential office, Foreign Ministry and National Unification Board have begun necessary preparations for the presidential speech at the world body.

The official, who spoke on condition of anonymity, said the government judged an early inter-Korean summit to be the best way to solve pending Korean problems in light of the fact that virtually all North Korean policies are decided by President Kim Il-song.

"The president, if he gets a chance to speak at the United Nations, will offer a package of dramatic proposals which will demonstrate Seoul's will for peaceful reunification of the peninsula and promotion of inter-Korean relations at home and aborad," he said.

No's keynote speech, above all, is likely to touch on the international call for North Korea's opening of its nuclear facilities to international inspection.

No is also expected to propose that the two Koreas sign basic agreements on harmony and co-existence and that the South normalize diplomatic realtions with China and North Korea establish diplomatic tie with Japan at the same time.

In addition, he may propose both Koreas regularize inter-Korean summits, set up a permanent bilateral consultative body in the world organization, consult with each other before exercising voting rights in the U.N. General Assembly and exchange representative offices, he said.

The government considers arranging meetings of the leaders from the United States, Japan, China, and the Soviet Union at the U.N. after the General Assembly to discuss ways to ease tensions and establish peace on the Korean peninsula, he said.

North Reportedly To Maintain Unification Policy

SK3005031891 Seoul YONHAP in English 0253 GMT 30 May 91

[Text] Seoul, May 30 (YONHAP)—North Korea denied Thursday that its decision to enter the United Nations meant a change in its unification formula of the Korean peninsula.

Radio Pyongyang, in a news commentary, reiterated that North Korea had no alternative but to join the United Nations "as a step to tide over temporary difficulties created by the South Korean authorities," said NAEWOE PRESS, the South's official North Korea watcher.

"As the South Korean authorities insist on their unilateral U.N. membership, if we leave this alone, important issues related to the interests of the entire Korean nation would be dealt with in a biased manner on the U.N. rostrum and this would entail grave consequences," the commentary said, according to NAEWOE.

It said there was no change whatsoever in its reunification policy nor in the trend toward reunification. Korea was divided into capitalist south and communist north at the end of World War II and North Korea has pursued a "one Korea" policy while South Korea called for recognition of the status quo.

A broadcast from Beijing said Wednesday that North Korea had delivered a membership application to China's ambassador to the United Nations and that the ambassador had circulated copies to member nations, NAEWOE said.

Diplomatic sources here said the application seemed to be an aide-memoir explaining the background and reason for Pyongyang's membership bid.

The North Korean Foreign Ministry, dropping long-held objections to separate U.N. membership for the two Koreas, on Tuesday announced it would apply separately from South Korea.

Governments and media responded to the surprise announcement with enthusiasm, analyzing that the decision was one of the many North Korea will make to end its isolation from the international community.

South To Pursue High-Level Talks With North

SK3005061891 Seoul YONHAP in English 0525 GMT 30 May 91

[Text] Seoul, May 30 (YONHAP)—South Korea will push ahead with a plan to expand its high-level talks with North Korea into a ministerial conference while seeking a Seoul-Pyongyang summit before both Koreas join the United Nations, government sources said Thursday.

The government will propose that South and North Korea hold a ministerial conference co-chaired by their prime ministers and attended by some 10 cabinet ministers from each side to discuss all pending issues between them. It could be held in the truce village of Panmunjom or either capital, the sources said.

The conference should discuss joint U.N. activities, reunion of separated families and easing political confrontation, they said.

They said it should also discuss ending confrontation in the international community, stretching benefits of living abroad, opening society, making exchanges in various fields, forming an economic zone for common prosperity, building mutual trust in military affairs and arms control, and replacing the armistice with a peace agreement.

To discuss the issues practically, the government hopes to propose five standing committees—on humanity issues, politics and diplomacy, economy, military and social, and cultural affairs.

The government is also giving serious consideration to establishing a joint secretariat and posting its officials in seoul and Pyongyang, they said.

The high-level talks headed by prime ministers were held three times with the last one in Seoul in December. The fourth meeting was scheduled for Pyongyang in February but North Korea canceled it.

The South Korean Government was positively promoting a summit in the belief that it was the best way to solve the Korean problem and was considering upgrading the high-level talks, said an official who declined to be named.

It wanted to set up five standing committees and a joint secretariat as part of the conference, he said.

Seoul To Push for Mission Exchange

SK3005004291 Seoul THE KOREA TIMES in English 30 May 91 p 1

[Text] **South Korea will step up efforts to establish a permanent representative mission in Pyongyang on a reciprocal basis as the North has decided to join the United Nations in a sudden about-face of its long-held isolation policy, senior Unification Board sources said yesterday.**

The No Tae-u administration, interpreting the North's decision as a strong signal of its recognition of the South Korean government and a drastic change of position concerning the South, plans to push ahead with the exchange of the permanent missions "by all means."

If the missions are established, they would handle inter-Korean affairs such as exchange visits of dispersed families and promotion of economic cooperation and also coordinate the solution of conflicting questions in political and military fields.

The missions will also be commissioned to negotiate ways to reduce tension on the Korean peninsula particularly including arms control and troop cuts, the sources said.

"When both Koreas are admitted to the United Nations, they will be regarded as foreign countries in the international community. But they actually remain as one divided country internally. We feel it is more important to develop a means to coordinate different interests," a board official said.

During the first round of prime ministers' talks in Seoul early September last year, the South proposed the exchange of the missions as part of measures to "develop South-North relations through close discussions and further solidify the basis for peace and reunification."

The idea, however, fell on the deaf ears of the North which had stuck to a "one-Choson (Korea) doctrine" under which it had denied the South Korean government and billed it as a target of overthrow.

"We expect that the north will now become flexible on the proposal as the country seems to be amending the dogmatic, but already worn-out principle," the official said.

The South will further encourage the North to improve its ties with the United States and Japan to lead it to accept Seoul's peace idea of "cross-recognition"—

recognition of the capitalist South by the Soviet Union and China and that of the communist North by the two Western powers.

"The situation is maturing for the cross-recognition formula as we have already normalized ties with Moscow and are rushing to upgrade our commercial ties with China to the level of full diplomacy. The North could improve ties with our friendly countries if it opens its nuclear facilities to external inspection," another official observed.

The North's decision to obtain separate UN membership will relieve China of its psychological burden to comply with Seoul's aggressive approach, coupled with ever-growing trade volume, now in Beijing's favor, he viewed.

The No administration will offer economic assistance to the North to help the Kim Il-song government follow a moderate line and sustain the open-door policy, the officials said.

But the economic cooperation proposal will be made in a more subtle way in order not to hamper the pride of the North Korean leaders, long proponent of a self-sufficient economy. Most South Korean proposals have been rejected by the North, arguing that they were propaganda-oriented.

Deputy Prime Minister-Unification Board Minister Choe Ho-chung will soon convene a meeting of relevant ministers to chart out follow-up steps to the North's sudden turnaround on UN policy, the officials added.

Efforts Contemplated To Boost North-South Trade

SK3005041591 Seoul YONHAP in English 0245 GMT 30 May 91

[Text] Seoul, May 30 (YONHAP)—South Korea, spurred by North Korea's decision to join the United Nations, will initiate a drive to promote economic exchanges with the North and will propose resuming stalemated economic talks at an early date, government officials said Thursday.

It also plans to shift from indirect trade through brokers in third countries to direct trade and to inaugurate an inter-Korean joint economic committee headed by deputy premiers, they said.

To facilitate direct trade, the government will continue to promote the conclusion of agreements on travel, communications, trade, an inter-Korean settlement account and the exchange of surplus materials.

It will seek to set up bilateral liaison offices to handle trade between the two Koreas and in the next prime ministerial talks it will urge North Korea to resume the economic talks, postponed since 1985.

The premiers' talks were to be held in Pyongyang in February but North Korea called them off to protest the annual South Korean-U.S. "team spirit" military exercises.

Before resumption of the economic talks, the South will encourage direct trade. The government will do this by increasing the number of items eligible for direct trade and strengthening support for those who engage in direct trade with the North.

The government will seek to sign an agreement with the North under which exporters and importers of the two sides settle their accounts in Swiss francs or U.S. dollars. It will also study use of the North Korean currency through the Bank of Korea.

Conclusion of an agreement so that surplus crops, basic materials and industrial goods can be swapped is under close consideration.

The government will make diplomatic efforts so inter-Korean trade is internationally recognized as "internal trade," and thus free of international trade regulations, as trade between the two Germanys was recognized by the general agreement on tariffs and trade.

It will contemplate increasing the inter-Korean cooperation fund from 25 billion won (34.48 million U.S. dollars) to 1 trillion won and make a careful study of offering economic cooperation funds to North Korea.

The government plans to propose to North Korea, when economic talks resume, reconnection of railway and road links between the two sides, direct travel between the Koreas by foreign tourists, joint development of natural resources and oil fields on the North Korean continental shelf, establishment of free trade zones and exchanges of agricultural technologies.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Comments on Australia's Role in Ties

BK3005094691 Kuala Lumpur BERNAMA in English 0845 GMT 30 May 91

[Text] Kuala Lumpur, May 30 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed said Thursday that Australia has to find ways to improve its relations with Malaysia.

He described existing Malaysia-Australia ties as "not that good."

"We are not happy with Australia. It has said so many things about us," the prime minister said when opening a bridge in the northeastern Kelantan state.

Dr. Mahathir said according to recent news reports, Australia had said that it was its culture and right to make remarks about Malaysia.

The prime minister said the reports had argued why should Malaysia take exception to what Australia had to say about the country.

He said Malaysia acknowledged that the Australian press was free to say anything about Malaysia.

Dr. Mahathir said: "Let them curse. Let them lie. Its their right, we don't dispute that."

"But when we retort back, they say we have no right to be angry at them," he said.

The prime minister said the situation was a bit odd and as such it was difficult for Malaysia to be on good terms with Australia.

Correspondents Accused of 'Slandereous' Reports

BK2805141491 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 28 May 91

[Text] Information Minister Datuk Mohamed Rahmat has hit out at local freelance journalists for filing news reports on Malaysia for foreign publications and electronic media and get rich in the process. Some of them have kept their earnings overseas to avoid paying income tax. He said these people are nothing but traitors. Datuk Mohamed was speaking to newsmen in Johor Baru after meeting pilgrims from his parliamentary constituency of Pulai.

He said he is not making wild accusations. He has met some journalists working for foreign mass media. They told him of certain freelance journalists who have filed slanderous reports about the country. The government knows who they are and will keep tabs on them. He also said these freelance journalists are based in Kuala Lumpur. They are well paid by the foreign newspapers, magazines, radio and television stations which disliked Malaysia.

Datuk Mohamed believed that these journalists play a part in the smear campaign against Malaysia. He said they have even claimed to be experts on Malaysia. Foreign journalists posted to Malaysia go to them for reference information which is false.

The ministry told (?that) Radio Malaysia's foreign service is keeping on the matter by monitoring foreign broadcasts. Datuk Mohamed added that a report compiled from Malaysia's information attaches overseas will be submitted to the Home Ministry for action.

He also said that a large number of Malaysians who have migrated to Australia, Canada, the United States and Europe have expressed their desire to return to the country. Some of them have complained about discrimination in these countries and have sought his assistance to return to Malaysia.

Environment Protection Technologies Urged

BK3005075691 Kuala Lumpur BERNAMA in English 0708 GMT 30 May 91

[Text] Kuala Lumpur, May 30 (OANA-BERNAMA) - Countries worried about environmental degradation should begin implementing appropriate conservation and prevention technologies instead of merely voicing concern, Science, Technology, and Environment Minister Law Hieng Ding said Thursday.

"Countries will have to do more than just moan and groan over environmental degradation" and should, instead, work towards achieving sustainable development, as called for by the United Nations.

The global community should begin to implement appropriate waste-control technologies which were environment-friendly alternatives to replace pollutants such as lead in petrol and chlorofluorocarbons in refrigerants, he added.

The minister's speech was delivered by the secretary general of the ministry, Mohamed Noordin Hassan, at the opening of the two-day Sweden-Malaysia seminar on environmental technology here.

Law said Malaysia and Sweden shared the same concern over the growing global environmental problem despite the economic and technological differences between both countries.

For instance, industrialised countries were more concerned about ozone depletion and diminishing natural resources whereas developing nations, with over one billion impoverished people, gave emphasis to poverty alleviation and development.

He believed Sweden's experience and technology in environmental protection would benefit a developing nation like Malaysia.

The Swedish ambassador to Malaysia, Puan [Mrs.] Wanja Tornberg, said Sweden, a country at the forefront of environmental issues, convened the first United Nations conference on environment in Stockholm in 1972.

Environmental cooperation with Malaysia was addressed through the joint Malaysia-Sweden economic, technical, and scientific commission, she added.

The seminar, organised by the Swedish Embassy and the Swedish Trade Council, provides an opportunity for local industries and government agencies to study Swedish environment technology and see how it could be adapted here.

Cambodia

Hun Sen To Leave on 1 Jun for Jakarta Talks

BK3005100191 Hong Kong AFP in English 0939 GMT 30 May 91

[Text] Phnom Penh, May 30 (AFP)—Prime Minister Hun Sen and the Phnom Penh delegation will leave here Saturday for peace talks in Jakarta with the resistance alliance, reliable sources said.

Mr. Hun Sen is to fly to Bangkok before continuing on to the Indonesian capital for talks scheduled Sunday through Tuesday.

Foreign Minister Hor Namhong and Deputy Foreign Minister Sok An would likely be among the Phnom Penh delegation but this could not be immediately confirmed.

French, Indonesian and United Nations officials are also due to attend the meeting of the Supreme National Council, which groups representatives of Phnom Penh and the three resistance parties, and will discuss a U.S. peace plan.

An informed Western source here said the Phnom Penh delegation would present proposals aimed at preventing a return to power by the Khmer Rouge, mainstay of the resistance and brutal rulers of Cambodia from 1975 to early 1979.

The government would also call for the current cease-fire in the civil war to be extended beyond the Jakarta meeting.

The Khmer Rouge has said it would resume fighting from Wednesday if there is no breakthrough at Jakarta.

German Parliament Delegation Pays Second Visit

BK2905044191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 28 May 91

[Text] On 24 May, a delegation of the Economic Cooperation Commission of Federal Germany's Parliament led by Mr. (Rudolf Bundi), member of Federal Germany's Parliament and of the Parliament's Economic Cooperation Commission, arrived in Phnom Penh for a five-day visit to the State of Cambodia.

Comrade Cheam Yiep, member of the National Assembly and vice chairman of the State of Cambodia National Asssembly's Economic and Budgetary Commission; Mrs. Som Kim-suor, member of the National Assembly and vice chairman of the National Assembly's Sociocultural Commission; and many cadres welcomed the delegation at Pochentong Airport.

It should be noted that this is the second visit to the State of Cambodia of the delegation of Federal Germany Parliament's Economic Cooperation Commission following the unification of the two German states.

Hor Namhong Receives UN Representative Kibria

BK3005103791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 30 May 91

[Text] Comrade Hor Namhong, foreign minister of the State of Cambodia, received and held cordial talks with Kibria, special representative of the UN Secretary General for coordination of Cambodian humanitarian aid programs and chairman of the Economic and Social Commission for Asia and the Pacific, at the Foreign Ministry Office on the morning of 29 May.

Comrade Hor Namhong briefed his guest on a number of important developments, including the efforts made by the Cambodian Government and people in defending and rebuilding their motherland in the past 12 years. He also informed the delegation of the goodwill of the State of Cambodia in the search for a political solution to the Cambodian problem, endeavors to bring an early end to the conflict in the country, and the progress of the voluntary cease-fire.

Comrade Hor Namhong thanked the humanitarian organizations deeply for their moral and material assistance for the Cambodian people who are suffering from the war of destruction that is being prolonged by the Cambodian opposition factions.

In his reply, Kibria said he was greatly impressed by the progress made by the State of Cambodia. He also admired the way the State of Cambodia Government is taking care of war refugees. Kibria went on to stress past successes made by humanitarian organizations in providing aid for Cambodians. He underlined the attention that the United Nations is paying to the Cambodian problem and the cease-fire to end the Cambodian dispute. He pledged that after leaving Cambodia he would inform the UN Secretary General and all humanitarian organizations the world over of the real situation and what he has witnessed in the State of Cambodia. He would particularly appeal to all humanitarian organizations in the world for more relief aid for Cambodians and war refugees who are suffering from severe shortages due to the war.

Banteay Meanchey Group Visits Combatants

BK2605125091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 25 May 91

[Text] A delegation of the Banteay Meanchey Province's party and state authority, led by Comrade Vong Kan, acting secretary of the provincial party committee, accompanied by the comrade chiefs and deputy chiefs of the province's services, recently visited frontline cadres and combatants and distributed gifts to them, including dry and smoked fish, cigarettes, tobacco, vegetables, and 30,000 riels [Cambodian currency].

Talking to cadres and combatants on this occasion, Comrade Vong Kan expressed fond sentiments and praised the heroic spirit of our comrades-in-arms. The comrade also called on all our cadres and combatants to strive to heighten their vigilance to further defend well their localities in all circumstances in order to ensure security and safety for the people and to thwart attempts to return by the genocidal Pol Pot regime.

More Land Reported Cultivated in Dry Season

BK2205171191 Phnom Penh SPK in French 0841 GMT 22 May 91

[Text] Phnom Penh 22 May (SPK)—According to the statistics provided by the Agronomic Department, by the second half of May peasants throughout the country had sown 134,000 hectares of rice, or 84 percent of the target set for the rice growing campaign of the dry season and 2,805 hectares more compared with the same period last year.

Moreover, the whole country has harvested 65,154 hectares, reaping nearly 166,000 metric tons of paddy.

According to estimates, in the dry season ending in May, only Kandal Province would get an average yield of three metric tonnes per hectare, followed by Kompong Cham and Takeo with two metric tonnes, and Prey Veng with 1.5 metric tonnes.

13,000 Tons of Husked Rice Said Needed Monthly

BK2405093491 Phnom Penh SPK in English 0432 GMT 24 May 91

[Text] Phnom Penh SPK May 24—Each month the city of Phnom Penh needs 13,000 tons of husked rice for its population of about 0.8 million, including 4,500 tons for state employees in the city.

Rice supply to the city is ensured by the municipal foodstuff company and traders. By early this month, the company had bought 11,000 tons of husked rice.

As usual, the price of rice at the market varies according to the value of the riel and the flow of rice into the city. In order to keep the price of rice from soaring, the company puts on sale from 5-6 [metric] tons of husked rice a day at prices of 95-107 riels (Cambodian currency) a kilogramme according to the quality, whereas on the free market the price ranges between 150 and 170 riels a kilogramme.

OXFAM Team Witnesses Cease-Fire Violations

BK2905061091 Phnom Penh SPK in English 0430 GMT 29 May 91

[Text] Phnom Penh SPK May 29—An Oxfam [Oxford Committee for Famine Relief] team working here witnessed truce violations committed by the Khmer Rouge while it was distributing relief aid to peasants in Bavel District, Banteay Meanchey Province. An unidentified worker among the team who had just come back here from the distribution trip in the district said: "Half an hour into the meal Khmer Rouge shells started landing all around us and we were huddled into a bunker where we stayed while, during 10 or so minutes, approximately 10 shells that we heard whistled down [words indistinct] to 500 meters away."

After getting out of the place, he said, another 30 shells landed behind his team.

The Khmer Rouge and the two other factions in the coalition have continued to violate the cease-fire which they committed themselves to observe by attacking government positions in various provinces, especially in the north and northwest.

Villages in Kompong Thom Reportedly Ransacked

BK3005024191 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 29 May 91

[Text] In the current eighth rainy season, the Vietnamese aggressors and race exterminators and the traitors—their puppet-lackeys—have intensified activities to plunder rice from our people in Kompong Thom Province in an even more cruel and barbarous manner.

On 18 May, the Vietnamese aggressors brought cannons, multiple rocket batteries, and tanks to shell and set fire to our people's villages in Damrei Slap and Tuol Kreul Communes in Stoung District of Kompong Thom Province, killing or wounding many villagers. The rest fled from the villages. The Vietnamese aggressors and race exterminators and their puppet-lackeys then entered the villages where they plundered all of our people's paddy, rice, cattle, hogs, and everything, including rice strains. They burned down whatever they could not take away.

Our people in Damrei Slap and Tuol Kreul communes were very angry with the Vietnamese aggressors and the traitors who are Vietnamese puppet-lackeys.

Our people prayed for all the Vietnamese aggressors and race exterminators to be immediately driven out of Cambodia and for the five big powers to pressure the Vietnamese aggressors to force their puppet-lackeys to immediately accept the "Big Five" document so that the Cambodian people can regain their independence and peace and can earn their living and grow crops to improve their livelihood.

SRV Troops Said Shipped to Kampot, Ratanakiri

BK2605022091 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 May 91

[Text] According to reports from our national resistance forces operating on Stung Treng and Kampot battlefields:

1. On 18 May, the Hanoi Vietnamese enemy aggressors shipped 900 fresh Vietnamese troops with 17 tanks from Vietnam through the Hatien route to Kampot Province. Those troops were then stationed in the following localities: 600 in the Kampot provincial town, 120 in Tuk Meas District, and 180 in Chhuk District.

2. And on 20 May, they sent 200 more fresh Vietnamese troops wearing the puppet army's uniforms through Route 19 to Ban Lung Township in Lomphat District of Ratanakiri Province.

In sum, on 18 and 20 May, the Hanoi Vietnamese enemy aggressors shipped 1,100 fresh troops to the battlefield of aggression against Cambodia.

Ieng Muli Interview on Upcoming Jakarta Meeting

BK3005074691 (Clandestine) Voice of the Khmer in Cambodian 1100 GMT 29 May 91

[Station correspondent's interview with Ieng Muli, secretary general of the Khmer People's National Liberation Front and member of the Supreme National Council, before his departure for Jakarta; place and date not given—recorded]

[Summary] [Question] We have learned that an important meeting will be held in Jakarta from 2 to 4 June and the Khmer People's National Liberation Front [KPNLF] will also attend this meeting. Would you please tell us of the prospects for this meeting?

[Ieng Muli] Concerning the coming negotiations in Jakarta, I would like to inform you that all of us and our friends have been seeking ways to remove the many obstacles that have hampered the peace process so that this Jakarta meeting will be successful.

We, the KPNLF, and the entire resistance movement, have already accepted Phnom Penh's request for the replacement of three members of the Supreme National Council [SNC] from its side. "This is a gesture showing our desire to avoid any obstacles to the Jakarta negotiations. As you know, the Paris International Conference on Cambodia [PICC] co-chairmen, particularly His Excellency Ali Alatas, Indonesian foreign minister, told us that if we did not settle the question of the change in the SNC membership beforehand, the co-chairmen would not be able to organize this meeting for negotiations in Jakarta. This is a big concession that we have made in order to advance toward reaching an agreement because we want peace". This peace is the sublime goal most needed by our people of all strata because they have suffered for several years now. The peace that our people want is one within the framework of an overall settlement or the UN peace plan worked out by the five permanent members of the UN Security Council [UNSC]. The remaining question is whether each of the parties involved in the Cambodian problem wants to bring peace to our people or not. Therefore, those who really want our people to enjoy this peace should dare to sacrifice and make concession toward each other.

What are the main points in this peace plan? First, the inspection on the presence of Vietnamese troops in Cambodia; and second, the setting up of a new state administrative system chosen by the Cambodian people through elections. We cannot accept an election held under the current Heng Samrin-Hun Sen regime which was installed by Vietnamese troops. This point is very clear. Our nation cannot accept this.

Since this plan has already been set, the atmosphere at the negotiation in Jakarta will be favorable. "I dare say that the atmosphere is favorable because, primarily, the four Cambodian factions have accepted the voluntary cease-fire. This acceptance of the voluntary cease-fire means to show the world that although there has not yet been an overall solution, our Cambodians who are going to meet soon have reached a compromise to cease their fight in order to create an atmosphere that will bring success to our talks". Thus, there are good prospects for the Jakarta meeting. All of us should continue this favorable situation. This favorable situation will continue to be favorable and will lead toward peace if the Phnom Penh side accepts the plan which has already been accepted by the world.

I have heard that the Phnom Penh side has raised a number of questions related to the peace plan. One of the points contrary to the plan is that the Phnom Penh side disagrees with the disarming of its army and UN control in Cambodia during the transitional period. Phnom Penh refuses to disarm its army because there are Vietnamese troops in this army, thus disarming the Phnom Penh army means disarming the Vietnamese. Another point Phnom Penh has used is that if its army is disarmed, the Khmer Rouge might return to massacre the Cambodian people again.

I would like to inform Phnom Penh and all compatriots that the Khmer Rouge are currently everywhere in

Cambodia, in Phnom Penh, the provinces, districts, and villages. Therefore, there is no need to prevent the return of the Khmer Rouge. They are already there in Cambodia. It is known to all that the Khmer Rouge also have their so-called village and commune national councils. Our KPNLF also has our own village, commune, district, and provincial committees. Therefore, this Phnom Penh claim is not a measure to protect the Cambodian people from the so-called genocide. It is not in the interest of our Cambodian people, but just to enable Vietnam to occupy Cambodia and maintain the Phnom Penh army.

Therefore, for the sake of our people, I once again appeal to the Phnom Penh leaders to a make a gesture favorable to peace by accepting the peace plan. I pray that all Cambodians will be patriotic. If they are really patriotic, peace will certainly return to our country. But if they still crave for power given them by foreigners, the problem will continue to prevail.

Indonesia

Suharto Addresses Symposium on State Defense

BK2905121291 Jakarta ANTARA in English 1029 GMT 29 May 91

[Text] Jakarta, May 29 (OANA-ANTARA)—President Suharto stated here Wednesday that totalitarian and centralized government could not match people's dynamism, which was boosted by economic, scientific, and technological progress.

Addressing the opening of a symposium on state defense at the State Palace here, the head of state further said that a good administration system was the one able to provide a wider access to the growth of people's creativity and initiative.

He went on to say that the world "map of power" in the economic, socio-cultural, ideological, political as well as defense and security fields had been changing, reflected by the emergence of various tendencies that needed to be taken into account.

"At home, thanks to the country's development achievements, the people are also changing, which then encourages us to make some adjustments in our development strategy," he said

However, the president reminded that while being accomodative to changes, the people's loyalty to the state ideology of Pancasila and the 1945 Constitution should be retained, especially because Pancasila already had strong roots in the nation's history and identity.

The symposium is organized by the Association of Indonesian Student's Regiment Alumni in cooperation with the Institute of State Defense Study and the Ministry of Defense and Security.

President Suharto further said that in the current changing world, "We didn't see any direct threats egainst the country and the nation."

However, the head of state said that an obligation to defend the state and the nation was very important for the survival of the country and the nation.

House Speaker To Meet 'Petition of 50' Group

BK3005103891 Jakarta ANTARA in Indonesian 0944 GMT
29 May 91

[Excerpt] Jakarta, 29 May (ANTARA)—The DPR [House of Representatives] is ready to meet with members of the Petition of 50 group because it is hoped that constructive ideas will come out of such meeting. This was disclosed by DPR Speaker Kharis Suhud in Jakarta on Wednesday.

"We are ready to meet with members of the Petition of 50 group, but the meeting is not aimed at mediating their dispute with the executive branch and it is hoped that constructive ideas will come out of the meeting," said Kharis Suhud.

Replying to the question on when he will meet with the Petition of 50 group, Kharis Suhud said he would have to discuss the matter with relevant parliamentary commissions because at the moment the parliament is busy discussing several draft bills.

"The meeting will be held during this current parliament session and a combination of Parliamentary Commission II and III members will meet the Petition of 50 group. We still do not know what they will talk about," said Kharis Suhud, who added that he had received the group's official letter seeking the meeting only on Monday. [passage omitted]

Minister Outlines Private TV Broadcast Policy

BK3005095891 Jakarta Radio Republik Indonesia Network
in Indonesian 0000 GMT 30 May 91

[Text] Information Minister Harmoko says the current policy on private television broadcasts in Indonesia will be reviewed while the system of television transmission, especially that part using satellite services, is being studied. What is certain is that there will be only one private television station for each province, the transmission range of which must not exceed the provincial boundary.

This was disclosed to reporters by Information Minister Harmoko after he opened the 24th session of the ASEAN Committee on Culture and Information in Pasuruan, Jawa Timur, yesterday. The minister added that a bill on radio and television broadcasts using satellite services will be discussed in parliament soon.

Opening of Beijing Flights Delayed 'Indefinitely'

BK2805073891 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 28 May 91

[Text] Garuda Indonesia has indefinitely postponed the opening of the air route to Beijing, initially planned for early June 1991. Garuda President Director M. Suparno disclosed this in Jakarta yesterday after witnessing the signing of an agreement between the Indonesian Hajj Brotherhood Coordinating Board and the Al-Taqwa Foundation, a body within Garuda. According to Suparno, Garuda would try to open the Beijing route by the end of this year. He said Garuda would continue to increase flight frequency to a number of countries, including increasing flight frequency to Japan from 12 to 20 times a week.

Laos

Acting President Receives New Spanish Ambassador

BK3005101691 Vientiane KPL in English 0900 GMT 30 May 91

[Text] Vientiane, May 30 (KPL)—Acting President of the Lao PDR [Lao People's Democratic Republic] Phoumi Vongvichit, yesterday received here at the Presidential Palace the presentation of credentials by Tomas Chavarri del Rivero, by which he was appointed as new ambassador extraordinary and plenipotentiary of Spain to Laos, with residence in Bangkok, Thailand.

The two personalities on the occasion exchanged views on a series of issues concerning the relations of friendship between Laos and Spain.

The acting president then wished the ambassador success in his diplomatic mission contributing to the further development of the relations between the two countries.

Party Central Committee Holds Second Plenum

BK3005150991 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 30 May 91

[Press release issued on 30 May by Lao People's Revolutionary Party Central Committee on second plenary session of fifth party Central Committee 22-30 May]

[Text] On 30 May, the Lao People's Revolutionary Party [LPRP] Central Committee issued a press release on the second plenary session of the Fifth LPRP Central Committee. The press release reads as follows:

The second plenary session of the Fifth LPRP Central Committee opened on 22 May and closed on 30 May 1991. The session proceeded vibrantly. The party Central Committee discussed many significant issues of the party and state, particularly methods and measures to bring the resolution of the fifth party congress into full play.

This plenary session of the Fifth LPRP Central Committee reached a unanimity on the restructuring of the system and structure of the party's leadership with a view to enhancing the leadership role and party capability in the new stage. It discussed and adopted new directions to settle the financial and currency problems. It also contributed views on the 1991 state draft budget plan. It gave significant views on many issues concerning the amendment of the draft constitution. The session suggested that the Constitution Drafting Committee intensify their work and complete it at an early date so that the draft constitution can be submitted to the forthcoming meeting of the Supreme People's Assembly for approval.

The session reached agreements on major programs of action for the party and state for 1991. It also discussed other important issues aimed at further guiding and moving the restructuring process firmly and in the correct direction, according to the contents and spirit of the resolution of the fifth party congress.

The second plenary session of the Fifth LPRP Central Committee called on all cadres and party members to study and understand the resolution of the fifth party Central Committee, firmly grasp the line, plans, and policies of the party and state, raise the level of their understanding and capabilities, positively temper themselves to achieve the revolutionary ethics, carry out tasks with a high spirit of responsibility and loyalty in serving the people, and organize to fruitfully apply the resolution of the fifth party congress to practical work.

Seminar on Economic Negotiations Opened

BK3005102291 Vientiane KPL in English 0902 GMT 30 May 91

[Text] Vientiane, May 30 (KPL)—Lao project 90/006, under the Ministry of Economy, Planning, and Finance, yesterday organised at its headquarters here a seminar on issues of economic negotiations, with the participation of 26 officials dealing with legal affairs in various ministries.

To the two-day seminar, the participants will hear a lecture on economic negotiations by Jerry Cohen, law professor from the Hawaii University of the United States of America. In particular, he will take Chinese and Vietnamese experiences in economic negotiations as an example for discussions among the participants.

Since late April this year, the project has already organised 3 seminars on the role of laws in economic development processes, state procedures on making bids for goods purchase and sale, and on drafting economic contracts. Each received support from the UNDP [United Nations Development Programme] and the World Bank.

Philippines

Manila Sends 'Final Proposal' on U.S. Bases

HK3005035091 Manila MANILA BULLETIN in English 30 May 91 pp 1, 26

[By Fred M. Lobo]

[Excerpts] The Philippine government said yesterday hat it has sent to the United States the country's "final proposal" on the U.S. military bases here fixing a seven-year extension period and laying down four major economic and related demands as compensation package.

As this developed, President Aquino said that she will meet today with more senators to brief them on the progress of the negotiatons and try to get their support for whatever treaty may be signed shortly on the U.S. bases.

"We have already briefed 11 senators and we would like to meet with the rest of the senators to give them a briefing on the progress of the negotiations," she said. [passage omitted]

Health Secretary Alfredo Bengzon, vice chairman of the RP [Republic of the Philippines] negotiating panel, said in Malacanang yesterday that the country's "final proposal" on the bases issue has been sent to the U.S. government by Foreign Affairs Secretary Raul Manglapus. [passage omitted]

He said that RP's final position "has taken into close ocnsideration the latest submissions of the U.S. panel."

"Those things had been communicated to Mr. Richard Armitage (special U.S. negotiator) by Secretary Manglapus and I think today, tomorrow or in the next couple of days, he would be discussing this personally with Mr. Armitage," Bengzon said. [passage omitted]

Bengon said that the Philippine panel had fixed at seven years the proposed duration of extension for the bases.

He pointed out that the seven year period is not far from the 10-12 year period being demanded by the U.S. and that "it responds to the needs of both sides."

As to compensation. Bengzon said that "we built our compensation package taking into account what they (U.S. panel) submitted."

He pointed out that the four major items that were in the original configuration remain, namely cash component, contributions towards modernization of the Armed Forces, debt relief and trade access.

"We felt that these are items that our people understand and they are of benefit to us," he said.

Bengzon said that the compensation package is grouped into two major categories such as economic and security coooperation.

Official on New Proposal

HK3005041091 Manila MANILA BULLETIN in English 30 May 91 p 26

[By Romy v. Mapile]

[Text] The government panel in the Philippine-American Cooperation Talks (PACT) on the U.S. bases said yesterday that the $185-million issue still separates the RP [Republic of the Philippines] and U.S. positions on the compensation package.

However, Health Secretary Alfredo Bengzon, vice chairman of the RP negotiating panel, said certain proposals have been introduced which may even exceed the government's stand at $825 million annually.

Bengzon said that with the revised classification of the compensation package from "hard and soft" components to "security and economic cooperation" categories, the cash proposals now total $640 million.

"Both categories involve budgetary and non-budgetary proposals...and the new RP position now includes extra trade access, U.S. endorsement on concessional loans, and the regional cooperation fund," he said.

Bengzon said the new RP stand on the security cooperation category still includes the $200-million Foreign Military Fund (FMF), the $12-million Economic Support Fund (ESF), and the $3-million International Military Education Training (IMET).

In the economic cooperation category, the $40-million development assistance, $30 million in food aid and housing investments guarantee have been included in the appropriated portion of the proposal, he said.

Bengzon said $150-million excess defense article and $100-million Buy Philippine-made Products Program have been added to the non-budgetary portion of the security cooperation category.

The new proposal is the compensation package brought up recently by Foreign Affairs Secretary Raul Manglapus. RP panel chairman, for discussion with special U.S. negotiator Richard Armitage, U.S. panel chairman.

Manglapus and Armitage are expected to meet in Luxemboury, Western Europe, this week. During the conference between the European Community (EC) and the Association of Southeast Asian Nations (ASEAN).

The government stood pat on its position on a seven-year lease for the U.S. military facilities mainly Clark Air Base and Subic Naval Base.

Manglapus said "There will be no agreement until a treaty is signed."

Editorial on Manglapus, Bases Talks

HK3005041691 Quezon City MALAYA in English 30 May 91 p 6

[Editorial: "Manglapus the Superfluous"]

[Text] What's with Foreign Secretary Raul Manglapus?

The poor man is still introducing himself as the one in charge of the negotiations on the U.S. bases when everyone else knows he has become a nullity—a superfluity—in this process.

The fact is that the negotiations have been taken over—lock, stock and barrel—by President Aquino herself and her executive secretary, Oscar Orbos. When the last round of talks with the Americans adjourned in disagreement, she quickly authorized and directed Orbos to resume the discussions, secretly through back channels, with the American negotiator Richard Armitage. The "secret" leaked out, however, and she had to confess to this furtive maneuver to bypass Manglapus.

Mrs Aquino herself has taken over the chore of meeting personally with the U.S. ambassador. And the final indignity was inflicted when she sent Orbos, rather than Manglapus, to the funeral of Rajiv Gandhi in New Delhi. Everyone knew that U.S. Vice-President Dan Quayle would be there too, and the assumption was he would talk about the bases with whichever Filipino dignitary came for the burial. This was Orbos, and the only conclusion to be drawn is that she didn't trust Manglapus to talk to Quayle.

Everytime Manglapus briefs the media with an "update" on the negotiations, no one is quite sure that he knows what he is talking about. No one is sure that what he is saying is still "operative" and has not been overtaken and perhaps even overturned by secret developments and secret agreements reached by the loftier eminences in touch with the Americans. He rambles along with a touching innocence and naivete that breaks the hearts of those who genuinely care for him, but only provokes scorn and derision from those who can't understand why he continues to put up with this orgy of self-abasement.

Manglapus remains useful and indispensable, to be sure, to the Aquino government. He is the one sent to the firing line when there is bad news to announce, such as a climbdown, for example, by the Aquino government from positions previously held and defended with braggadocio. This happened when the Philippines softened its compensation demand.

Directed to explain to the media, Manglapus in his inimitable obfuscatory style and even more inimitable accent blew a thick blanket of smoke all over the issue, pointing out that it had been decided to eliminate the "hard" and "soft" categories given to the compensation question and instead to change the "nomenclature," so that $400-million becomes $800-billion by just juggling a few words and figures around which means the Philippine position will have been fully upheld, etc, etc. It is he who is called upon—and he enthusiastically agrees, sadly—to explain the inexplicable, justify the unjustifiable and deodorize the unpalatable.

From all appearances, the negotiations for a new treaty appear to have entered the home stretch. For the first time, President Aquino invited a group of senators to Malacanang the other day to brief them on the subject. Manglapus was there all right, but soon after she shooed him off to Luxembourg to meet with European Community representatives on, of all things, exports.

Manglapus left insisting an agreement was still some distance away, but Mrs Aquino has said flatly one will be concluded within days. Obviously she knows something he doesn't, and we'd put our money on her knowing the score better than he any time of the day. But the significant thing is that Manglapus is being removed from the scene and dispatched as far away from the action as possible during these critical days. Hindi pa ba siya nakakahalata (Has he not sensed anything yet]?

The options Manglapus faces are hardly pleasant. If an agreement is reached on the bases satisfactory to the citizenry, most of whom favor their retention, he'll get no part of the credit; people will say it was because Mrs Aquino and Orbos intervened in the last two minutes. If the talks collapse and the Americans pull out, he will get all the blame; it was because he antagonized Armitage and the entire U.S. Government. Meantime he looks rather pathetic pretending to be still a big wheel in proceedings from which he has been definitively erased.

He should do himself a favor and quit.

Security Adviser on Eight-Year Stay

HK3005122491 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1157 GMT 30 May 91

[By Henry Umaga of Radio Patrol No. 14]

[Text] There is a possibility for the length of stay of the U.S. military bases in the country to last for eight years under a new agreement. This was disclosed by national security adviser Rafael Ileto in an interview with Radio Patrol No. 14 in Malacanang. Ileto said that it will not gravely affect the position of the Philippines if there can be a little flexibility on the issue of duration. However, Ileto stressed that this is just his opinion and the Philippine panel has not changed its position on a seven-year duration for the U.S. bases.

Meanwhile, Ileto also said that there is a need to change the compensation package in exchange for the flexibility of the country on duration. The new bases treaty is expected to be signed by both countries any time now.

Bases Treaty Would Boost Recovery

HK3005154091 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 30 May 91

[Text] The new military bases agreement should be ratified to speed up the economic development of the country. This was stresssed by Finance Secretary Jesus Estanislao.

Estanislao said that there will be other economic benefits from the compensation that the Philippines will receive from the United States in exchange for the extension of the bases retention.

Meanwhile, Estanislao will propose to the Paris Club, a group of the country's creditors, to condone the external debts of the Philippines, which amount to $1.4 billion. He will also ask for the implementation of a debt buyback scheme at the end of the year and to reduce the interest rates on Philippine debts.

Paper Reveals Contents of Proposal to Paris Club

HK2905073091 Manila BUSINESS WORLD in English 29 May 91 p 2

[Text] Recent initiatives to reduce developing countries' indebtedness may smooth the way for Philippine negotiations with the Paris Club on June 17, a Western diplomat told BUSINESS WORLD.

The Stockholm Initiative which grew out of the Swedish-sponsored International Conference on Global Security and Governance includes a significant development component. The conference, chaired by Swedish Prime Minister Ingvar Carlsson and attended by prominent European statesmen, called for a strengthened debt strategy, "introducing a strong element of debt forgiveness, to radically cut the debt overhang."

The Stockholm Initiative calls for the following:

—terms and conditions in Paris Club reschedulings that go far beyond the present in providing relief and applying to a broader range of countries;

—applying commercial debt restructuring to the secondary market value of a particular country's debt paper; and

—increased financing by international financial institutions.

RP [Republic of The Philippines] Request

In a May 14 letter to Paris Club chairman Jean-Claude Trichet, Director of the French Treasury, Finance Secretary Jesus Estanislao outlined the Philippines' requests.

He asked for "an extended consolidation period of 18 months from July 1, 1991 to December 31, 1992; coverage of 100% of principal and interest relating to loans or credits pursuant to a contract or other financial arrangements concluded before 1 April 1984; and, coverage of 100% of principal and interest of all previously rescheduled debt starting with the June 1991 maturities of our first Paris Club rescheduling in 1984."

Mr. Estanislao pointed out the circumstances which had made the Philippines eligible for assistance from the International Development Agency [IDA].

The Executive Board of the World Bank has approved special drawing rights for the Philippines on $50 million of IDA credits this June.

Trade Deficit Rises Billion in First Quarter

HK2905043891 Manila THE MANILA CHRONICLE in English 29 May 91 p 4

[Text] The country registered a trade deficit of slightly over $1 billion for the first quareter of the year, up 17% over that in last year's comparative period.

Exports reached $2.027 billion, up by $77 million over last year's first-quarter figures; imports amounted to $3.046 billion, up 7.9% ovcer comparative 1990 figures.

The Central Bank traced the export gains to higher sales of manufactures such as electronics, machinery and transport equipment, processed food and beverages, baby carriages, and chemicals. Shipments of shrimps and prawns, petroleum products and copper concentrates also went up.

Garments, coconut oil, centrifugal and refined sugar, lumber, copper metal, furniture and fixtures, and iron and steel suffered declines.

Import increases were higher with mineral fuels and lubricants recording a 34% jump to 33% million mainly because of a bigger volume of these products were shipped in at prices pushed up by the Gulf war.

Importation of raw materials and intermediate goods rose by 4.6% to $1.4 billion due to higher demand for metalliferous ores, essentially copper concentrates, and materials and accessories for the manufacture of electrical equipment.

Capital goods shipments also rose largely because of purchases of aircraft, boats, and ships.

Labor Secretary, KMU Reject Strike Moratorium

HK3005043891 Manila PHILIPPINE NEWSDAY in English 30 May 91 p 3

[By Jessica Domingo Gross]

[Text] Labor Secretary Ruben Torres and the Kilusang Mayo Uno (KMU) [1 May Movement] yesterday rejected the proposal made by industrialist Raul Concepcion for a five-year strike moratorium in export-oriented industries especially those within the CALABARZON (Cavite, Laguna, Batangas, Rizal and Quezon) area.

Torres told newsmen that both labor and management should strengthen the Tripartite Industrial Peace Accord under which the labor sector pledges "maximum restraint in the use of strikes."

Torres said that the workers would never agree to a strike moratorium, fully aware as they are that this right is constitutionally guaranteed.

KMU chairman Crispin Beltran, for his part, said that "businessman Raul Concepcion's proposal is as repugnant as it is anti-labor."

Beltran said that Concepcion should bear in mind that the right to strike is a "sacred and unassailable right of workers guaranteed in the country's Constitution."

Beltran disputed Concepcion's "myopic and unsubstantiated" claim that workers' strikes discourage foreign investments in the country.

"While there is indeed restiveness in the ranks of labor because of anti-labor policies of the Aquino administration, "this restriveness is not what discourages foreign investors from coming into the country but the harsh economic environment resulting from deleterious economic policies of government, such as the nine percent import levy," Beltran explained.

Torres, meanwhile, noted the presence of some obstacles to the establishment of strike-free zones, pointing out that this would entail legal adjustments. labor laws, Torres stressed, are applicable to all, not only to specific areas.

Torres advised against such adjustments, citing that past experience, such as what happened in the U.S. military facilities particularly in OLongapo City and Angeles City, showed that strike-free zones did not produce the desired results.

Aquino Challenges Rebels To Initiate Talks

HK2705120591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 May 91

[By Dick Sinchongco, DZRH Unit No. 6]

[Text] President Cory Aquino has challenged rebel leaders Gregorio Honasan and Domingo Calajate to prove their sincerity in their wish to talk to the government by taking the initiative to commence dialogue with Lieutenant General Lisandro Abadia, the Armed Forces chief of staff. The president questioned the rebel soldiers' sincerity after Honasan and Calajate accused the government of using the issue of negotiations with the rebel soldiers as mere show. She said the government is hoping the rebel soldiers make the first move, if they are indeed sincere in this undertaking, to communicate with General Abadia, who is keeping an open door for the rebels. The president added that she has given Abadia the major role in the negotiations with the rebel soldiers. Recently, the president emphasized that they share a single goal, to unite the Armed Forces and put to rest the threat from the rightist rebels.

Coup Leaders Urge 'Talks'

HK2705023291 Manila PHILIPPINE DAILY INQUIRER in English 27 May 91 pp 1, 10

[Text] Two top military rebels yesterday proposed exploratory talks with government as a first step to negotiations on ending their rebellion.

Dismissed Army Lt. Col. Gregorio "Gringo" Honasan and ex-navy Commodore Domingo Calajate called for the formation of an "exploratory group" representing both sides to discuss the terms and agenda for future peace negotiations.

"Only [illegible] an agreement is reached at this level can we proceed to more substantive and meaningful dialog," the two renegade officers said in a signed statement to their detained comrades.

Honasa, the country's most wanted fugitive, and Calajate led a bloody December 1989 putsch that almost toppled President Aquino who has survived six coup attempts during her five years in office.

The military has put up a reward of P5 million [pesos] for the capture of Honasan and P1 million for Calajate.

Lt. Gen. Lisandro Abadia, Armed Forces chief of staff, offered earlier this month to meet with the rebel officers to discuss how to unify the military and end the coup threats against Ms. Aquino. He gave them until last week to accept his offer.

More Time

Two jailed dissident officers, freed temporarily by Abadia to talk to the rebels, said Honasan's group told them it needed more time to consult other dissidents and study the offer.

Abadia subsequently ordered the resumption of military operations for the capture of Honasan and the other rebels.

The military says about 100 rebel officers and enlisted men remain at large out of the estimated 3,000 soldiers who took part in the December putsch.

Honasan and Calajate dismissed Abadia's offer on Sunday, saying it "was merely for public show and was meant to fail as shown with the ...imposition of deadlines."

"We propose a more sober, serious and systematic approach to the problem with the creation of an exploratory group from both sides to initially discuss, in utmost secrecy, the terms of reference and parameters for any talks," the two rebel leaders said.

Honasan and Calajate described Abadia's offer as "psychological warefare and propaganda ploy designed to foment doubt, suspicion and intrigue among us."

Rights Abuses

In the same letter, Honasan and Calajate denounced the government for allegedly "continuing to deny and withholding some basic rights and privileges of the detainees."

Gerardo N. Flores, Philippine National Police staff chief, sought to rebut charges of human rights violations, saying the detailed rebel soldiers "are treated fairly, justly and honorably."

Flores said the detainees are even allowed conjugal visits and are regularly visited by their families and their lawyers.

"In some instance, we even allow these detainees to go out on pass so that they can attend to some important personal matters," he added.

'Rebels' Await Confirmation

HK2905072291 Manila BUSINESS WORLD in English 29 May 91 p 10

[Text] Military rebel leaders have not formally approached Armed Forces chief Lt. Gen. Lisandro Abadia for exploratory talks because he has not been confirmed by the Commission on Appointments, military sources said yesterday.

As of yesterday, the rebels have yet to make contact with the AFP [Armed Forces of the Philippines] but Gen. Abadia is still hopeful.

His spokesman, Col. Victor Garcia, told newsmen the rebels should contact the chief of staff rather than communicate through the media.

Defense Secretary Fidel V. Ramos said it "is now up to the principals (President Aquino and Gen. Abadia) to talk about this (exploratory matter)."

During the open forum at the Philippine Constructors Associations, Inc. meeting yesterday, he was asked about the exploratory talks and he said, "the less we comment about it the more chances it will have."

But well-placed sources in the military said the talks might not be possible since Gen. Abadia may not be confirmed.

Col. Garcia also reported the two captured rebel-emissaries are back in their stockades. "This was a gentleman's agreement," Col. Garcia said.

Abadia To Resign if Revived Rangers Rebel

HK2905103191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 May 91

[By Fernan Imberga]

[Text] Lieutenant General Lisandro Abadia has threatened to resign as Armed Forces chief if the revived 1st Scout Rangers Regiment of the Philippine Army fails in countering insurgency.

According to Abadia, if the ranks of the Scout Rangers are once again infected by *political viruses* [words in italics in English] and exploited to take up arms against the government, he will resign. He also threatened that he himself will confront any member of the Scout Rangers who betrays the Constitution and rebels against the present administration.

Abadia gave a speech a while ago at the Philippine Army grandstand in Fort Bonifacio, Makati, in connection with the revival and remobilization of the disbanded Scout Rangers Regiment of the Philippine Army. It will be recalled that the Scout Rangers were primarily instrumental in the staging of the several failed coups by the military rebels.

Meanwhile, on the possible surrender of Gringo, there is no positive indication yet that the rebel soldiers will respond to the efforts of Abadia for possible peace talks with Honasan. According to Abadia he will continue to wait for Honasan to contact him.

[Begin recording in English] Still, I haven't heard from them. But I'm still waiting up to now. He can call me any time, but as of now, I haven't gotten any phone call. [end recording]

That was a statement from Lt. Gen. Lisandro Abadia, who is celebrating his birthday today.

Abadia Orders Security for Road Contractors

HK2905114991 Manila MANILA BULLETIN in English 29 May 91 pp 1, 20

[By Owen Masaganda]

[Text] Camp Nakar, Lucena City—Lt. Gen. Lisandro Abadia, AFP [Armed Forces of the Philipines] chief of staff, ordered yesterday the Southern Luzon Command (Solcom) to provide security to contractors of road projects after he was informed by Brig. Gen. Pablo B. Galvez, 51st Engineering Brigade chief, that New People's Army (NPA) rebels were forcing them to pay "progressive taxes" to the underground movement.

General Abadia and his staff officers came here by helicopter and looked into the operations launched by the Solcom, the Army's 2nd Division and the 4th Philippine National Police (PNP) command against the NPA in Southern Tagalog and Bicol.

Abadia held the other day a command conference with the division commanders of the Army, the Philippine Air Force, and the Philippine Navy, and top officials of the PNP at Camp Aguinaldo. They discussed new strategies in the fight against the Communist Party of the Philippines (CPP), the NPA, and the National Democratic Front (NDF).

Abadia was briefed by Brig. Gen. Federico Ruiz Jr., Solcom chief, on the insurgency situation in Southern Tagalog.

He was told that the insurgency in Southern Tagalog and Bicol is now waning. Ruiz told the chief of staff that he has enough officers and men to secure the workers of the contractors.

Brig. Gen. Cesar Fortuno, 2nd Division commander, told Abadia that he had directed the 31st Infantry Battalion to provide security for the workers building the 70-kilometer Quirino Highway which stretches from Quezon to Camarines Sur.

The government had set aside P480 million [pesos] for the project.

The NPA, according to Galvez and Fortuno, was asking P18 million in "progressive taxes" from the contractors.

The NPA was also asking contractors of other infrastructure projects in Sorsogon, Quezon, Camarines Sur and Camarines Norte to pay huge amount in "progressive taxes."

If the contractors refused to give in to the demand, their heavy equipment would be burned, Abadia was told.

Congressman: NPA Supporters Prefer Mitra

HK2705135091 Manila Manila Broadcasting Company DZRH in Tagalog 0900 GMT 27 May 91

[By Eloi Aquino of DZRH Unit No. 12]

[Text] Representative Venancio Garduce of Samar said today that the supporters and sympathizers of the New People's Army [NPA] in Visayas and other provinces in the country are supporting the presidential bid of House Speaker Ramon Mitra over Defense Secretary Fidel Ramos.

Garduce told congressional reporters during a regional assembly of the ruling Struggle of Philippine Democrats [LDP] in Tacloban City that his contituents are not comfortable with Ramos because of his role in the declaration of martial law during the previous regime. He said that the three provinces of Samar, northern and southern Leyte, and the subprovince of Biliran will support Mitra.

Garduce, who joined the LDP in its very first national convention in 1988, said that the people and the victims of martial law cannot forget Ramos and other persons involved.

In reaction to the report that some mayors, vice mayors, and barangay officials from region eight favor Ramos, he said that these local officials who support of Ramos can be counted but the people from the rural areas will be the ones to decide.

In the assembly, 18 out of 25 members of the Samar League of Provincial Mayors passed a resolution endorsing Ramos as the presidential candidate of the LDP in the 1992 presidential election.

According to Garduce, the former supporters of NPA who chose to participate in the parliamentary struggle will surely support a presidential candidate who had no participation in the imposition of martial law. Even if the story be reversed, he said, a presidential aspirant who was part of a nightmare can never fool the people and get votes from them. He also said that the progressive bloc in the lower house who used to be members of the LDP are against Ramos. According to him, they will campaign for Mitra because he is the one suited for the said position. Garduce acknowledged that Ramos is good but he is not acceptable to the people.

Thailand

Sunthon, U.S. Ambassador, Others Watch Exercise

BK2705095691 Bangkok Army Television Channel 5 in Thai 1230 GMT 26 May 91

[Text] Supreme Commander General Sunthon Khongsomphong, U.S. Ambassador to Thailand Daniel O'Donohue, and a number of senior military officers today watched the amphibious operation, which is part of the Thai-U.S. joint military exercise Cobra Gold 91, at Ban Plai Thon Beach in Sichon District, Nakhon Si Thammarat Province. The annual exercise began early this month in Surat Thani and Nakhon Si Thammarat.

The amphibious exercise consisted of attacks by sea and air, and the beach landing. C130 aircraft and helicopters dropped frogmen with their rubber boats and special operation troops to storm the beach. Gunboats opened fire and bombers strafed the targets in support of the beach landing by marines on amphibious trucks. The operation ended with a total defeat of the enemy.

The supreme commander and his party also watched air operations in Khanom District, Nakhon Si Thammarat. According to the original plan, the U.S. Air Force would have jointly conducted the air exercise, but, due to its preoccupation in the Persian Gulf, could not participate in this year's exercise. The Royal Thai Air Force therefore conducted the training unilaterally. The air operations today demonstrated attacks by Cobra helicopters equipped with deadly weapons and supported by H53-T helicopters. The enemy was totally destroyed.

Paper Criticizes Joint U.S. Military Exercises

BK2805035891 Bangkok THE NATION in English 28 May 91 p A10

[Editorial: "Stop Fighting Imaginary Enemies"]

[Text] This year's month-long Thai-US military exercises—"Cobra Gold '91"—are finally over. The joint exercises, which have been held yearly since 1981, this year were an embarrassment to Thai-US relations. Comming at a time when Washington had cut off economic and military aid to Thailand to protest the Feb 23 coup, the exercises seemed more an attempt by the United States to maintain the ties it has left with the Thai military and for the Thai side to save some face.

Because of a US law that makes it mandatory to cut off aid when the democratic government of a recipient country is toppled in a coup, Washington severed US$121.6 million worth of assistance, including funds to support military and counter-terrorism training. The exercises also would have been called off if it had not been for the desire on the part of the US military to help their Thai counterparts save face—a complete end to military cooperation would have been highly embarrassing, and to the US side, endangered ties with this country that they had spent decades developing.

The exercises should have been called off, and remain called off. The Thai military is simply indulging in fighting off imaginary enemies, enemies that, in the war games, are represented with flags that bear an uncomfortable resemblance to those of certain neighbouring countries.

Each year, thousands of American and Thai troops storm beaches, destroy bunkers and fly jet-fighter and helicopter support in attempts to wrest control of an area from the "enemy" in scenes that are replayed again and again. Units from both sides also perform social and medical services for the period while the joint exercises take place.

This year, however, the scale of the exercises was drastically cut back and certain elements were left out altogether. The number of US troops participating was reduced, with a minimum of fanfare, from several thousand the previous year to a mere 670. The US cited commitments in the Persian Gulf for the reason so few troops were sent, but everyone knows there must have been other, unspoken reasons.

Under US law, Thailand is no longer considered a democratic country because of the military coup. So when it came to the exercises, though the US felt it impossible to end Cobra Gold entirely, it did not want to appear as though it was trying to strengthen the hand of the military here. But as soon as an elected government is again in place, it is very likely that the US will again want to restart full-scale joint exercises.

But it would be in the best interests of Thailand to scrap Cobra Gold, as the exercises are a prime target of criticism from neighbouring countries. It is time for us to recognize that Thailand's potential external enemies have gone. Countries which used to be branded as adversaries, such as Vietnam and Cambodia, are now fighting their own war—against economic backwardness.

The United States should be more realistic and put their efforts into more tangible areas—such as trying to improve support for democracy among the Thai military. For years, the joint exercises have played on the public's fear that imaginary enemies were real. Now is a good time to stop it.

Jewellers Urge Export Protection in U.S. Talks

BK2805025191 Bangkok THE NATION in English 28 May 91 p B1

[By Molly Yong]

[Text] A jewellery manufacturer, who ships half of his products to the United States, has urged the government to protect jewellery exports in bilateral talks on resolving the trade dispute under Section 301 which are soon to get underway.

The first round of talks, expected sometime next month, will likely focus on Thailand's violation of intellectual property rights which includes pharmaceutical patents, trademarks and copyrights.

If those and subsequent talks over the next seven months fail, the United States Trade Representative Office (USTR) can initiate retaliatory measures by restricting Thai imports, including jewllery.

Under the US Generalized System of Preferences (GSP), Thai exports worth US$1.2 billion (Bt30 billion [baht]) entered the US market duty-free in 1990. Thailand's total exports to the United States last year were worth about US$5.2 billion (Bt130 billion), with cut gemstones and finished jewellery valued at over US$350 million (Bt8.7 billion). Thai jewellery now is subject to a 6.5 percent tariff and most costume jewellery now is subject to 11 percent after shipments in 1988 exceeded quotas.

In an interview with THE NATION, Surin Latthaphanit of Gem Creations Ltd said that "everyone, not only jewellers, will be seriously affected" by any one of a number of retaliatory measures which could include partial or full bans on some Thai exports, imposition of quotas or high import tariffs.

"Every manufacturer sells to the United States," he said. "Even the Japanese and the Europeans who buy gemstones and jewellery from Thailand resell to the Americans. There's no question that any industry that is dependent on the American market won't be hard-hit."

Gem Creations' clients in America haven't reduced their orders following last month's classification of Thailand as a "priority country" under Section 301 of the US Trade Act of 1988, said Surin.

"But they and other foreign buyers can always go elsewhere, to other markets like Indonesia or China because our costs are no longer low," he added.

With distributors in the United States, Japan and Germany, Gem Creations participates only in one overseas "trade fair", the so-called "Thai Basel Fair" in Switzerland which this year ended April 25.

Twenty-six Thai companies, pared down from over 60 firms, reportedly did "10 to 100 percent" more business this year than last year in a restaurant near the fairgrounds of the official European Watch, Clock and Jewellery Fair.

Business was good there, but not great. "Basel-time is just not the buying season," said Gem Creations' managing director Kannika Latthaphanit, who afterwards went on to other European cities to develop existing and new markets.

Kannika urged the Thai government to allow the system called carnet to be used for temporary importation. This allows samples to be flown out to buyers for inspection and ordering and then returned to Thailand, bypassing tariffs and cumbersome customs formalities.

Carnet benefits frequent international fair exhibitors, including jewellers and manufacturers of equipment, but has no significance to Thailand's rice producers, manufacturers of automobile spare parts and footwear and leatherwear makers among other local industries. Even infrequent fair exhibitors like Gem Creations would benefit from carnet.

"We have thousands of models which we would like our overseas buyers to see. Carnet would clearly facilitate orders," said Kannika, whose company's main lines include art deco jewellery, antique reproductions like the Duchess of Windsor's collection and modifications of Sothebys, Tiffany and Van Cleef and Arpels pieces.

"I can tell you there is much copying everywhere. We may not be the original designer but designs are modified and updated because we have to catch up with fashion fast," she said.

Anan Leaves for Malaysia, Remarks on Plane Crash

BK2905074491 Bangkok Radio Thailand Network in Thai 0550 GMT 29 May 91

[Text] Prime Minister Anan Panyarachun and his party have left Bangkok for visits to Malaysia and Singapore. A correspondent of the Public Relations Department has filed the following report from the Royal Thai Air Force [RTAF] Headquarters Airport:

At 1135 today Prime Minister Anan Panyarachun and his party comprising M.R. Kasemsamoson Kasemsi, minister attached to the Prime Minister's Office, Industry Minister Sippanon Ketuthat, Deputy Interior Minister Admiral Wichet Karunyawanit, and Deputy Agriculture and Cooperatives Minister At Taolanon, have left the RTAF Headquarters Airport at Don Muang for their official visits to Malaysia and Singapore from 29-31 May.

Before boarding the plane, Prime Minister Anan granted an interview to reporters about the recent Austrian Lauda-air plane crash in Thailand. He said that the incident will not at all affect the World Bank and IMF annual conference to be held in Thailand. The prime minister urged all the Thai people to regret the deaths of victims of the air crash.

[Begin recording] [Anan in progress] ...investigations are being carried out. This plane crash is a tragic incident for the relatives and friends of the victims. All Thai people should share their sorrow. At present, investigations are being conducted to discover the real causes of the crash. The investigations will require a considerable period of time.

[Correspondent] Sir, foreign reports have indicated that the crash was caused by an act of terrorism.

[Anan] These reports are speculative. At present, there is no way to know the real cause. [end recording]

Anan Addresses Thais Living in Indonesia

BK2605101991 Bangkok Radio Thailand Network in Thai 1200 GMT 25 May 91

[Text] Prime Minister Anan Panyarachun visited the Thai Embassy in Jakarta and met a group of Thai residents and government officials in Indonesia at 1200 local time today. The prime minister stated to them that his current visit to Indonesia is meant to strengthen bilateral relations. He was accompanied by the foreign minister, finance minister, and deputy defense minister. He said Indonesia is the first country he has visited as prime minister, and he will visit Malaysia and Singapore later on.

The prime minister said that he has been in office for about 11 weeks now since the change took place in Thailand on 23 February. He noted that the political change on 23 February was viewed differently—some people think it was a strike against democracy, whereas some people view it as a good opportunity to adjust the course of democracy to move it in the right direction. The prime minister, however, said that the 23 February change was different from the changes in the past because, this time, it was not violent and it was immediately followed by a state of normalcy. He explained that problems had cropped up over the past few years caused by some parties, and it resulted in creating a feeling of disappointment and boredom for many people who started to wonder which way Thailand was heading. This general attitude was an impetus pushing for change.

Talking about his responsibilities, the prime minister said he himself and his cabinet ministers are working very hard in order to fulfill their determined goal of achieving continuous growth for the country's economic undertakings. He stressed that economic achievement is important because efforts to solve problems in other areas will fail if the national economy is not good.

On elections, the prime minister said the constitution-drafting committee is speeding up its work. According to the plan, elections should be held within this year. The drafting of a national constitution is expected to be completed in either July or August. After that, the draft will be debated in the National Legislative Assembly. If the draft fails to win approval from the assembly, there will be more drafting—a second or third time. If there are objections or opposition to the constitution, then all parties will sit together in order to work out an agreement so that an early election can be held. He said that the cabinet has nothing to do with the constitution drafting. Yet, the prime minister personally believes and hopes that the drafting will be completed soon and elections can be held within the year. He stressed that his government is determined to push for full democracy for the country.

The prime minister also told the group of Thais at the embassy in Jakarta that the country's economic situation is good, even better than in the past. He took the opportunity of meeting with the Thais living abroad in order to tell them about Thailand, to answer their questions, and to give them a correct impression of their own country. He called upon the Thai people living in Indonesia to conduct themselves properly because Thailand and Indonesia have always maintained good relations at all levels.

Asa Sarasin Leaves for ASEAN-EC Meeting

BK2805153291 Bangkok Army Television Channel 5 in Thai 1230 GMT 28 May 91

[Text] Speaking to reporters at the Bangkok Airport last night before leaving for Luxemburg to attend the nineth ASEAN-EC ministerial meeting, Foreign Minister Asa Sarasin said ASEAN would ask the EC to issue a joint statement on the agricultural subsidy issue, which is still a problem at the Uruguay Round of talks. The call is an expression of political will to push for a successful conclusion of the Uruguay Round of talks this year, which is expected to result in a new trade regulation—a multilateral trade system that will benefit the free trade market and be fair to all parties. It is noticeable that relations between ASEAN and the EC are changing with the situation, particularly the forming of a single market in the EC next year and the political and economic changes in Eastern Europe. The upcoming meeting is an important chance to review bilateral relations.

Justice Minister Praphat Departs for China

BK2505090691 Bangkok Radio Thailand Network in English 0000 GMT 25 May 91

[Text] Justice Minister Praphat Uaichai left for the People's Republic of China on Thursday, 23 May, on a 10-day visit to that country aimed at enhancing judicial ties. A ministry release said the visit will also help promote an exchange of information, including experience and ideas on legal affairs between officials of both sides.

While in China, the minister and his six-member party will observe judicial activities in the province of Anhui and Jiangsu as well as in the capital of Beijing. The Thai delegation will return home on 3 June.

All Countries Urged To Help Cambodian Refugees

BK2805134491 Bangkok Voice of Free Asia in Thai 1030 GMT 27 May 91

[Commentary: "The World Public Is Losing Interest in the Cambodian Refugee Problem"]

[Summary] "Since Vietnam sent its troops into Cambodia in 1978, over 300,000 Cambodian people have fled the war to take refuge in Thailand. The Thai Government has allowed these Cambodians to take temporary refuge here on humanitarian grounds pending their resettlement in third countries or repatriation if the situation in Cambodia improves." Thailand firmly intends to help the Cambodian refugees by taking into account humanitarian principles along with the principles of sovereignty and national security. The Cambodian refugee problem is not only a humanitarian issue but also has a direct impact on Thailand's sovereignty and security because it can prompt the conflicting parties in the Cambodian issue to suspect that Thailand provides shelter for Cambodian groups. This could in turn drag Thailand into the conflict.

Besides providing humanitarian assistance for the Cambodian refugees, Thailand has asked the international community, friendly countries, and international organizations such as UNBRO [United Nations Border Relief Operation], the United Nations High Commissioner for Refugees, and the International Committee of the Red Cross to take part in helping the refugees because Thailand is a small country with limited natural resources and capabilities. It cannot alone shoulder the burden of assisting and feeding large numbers of refugees. In addition, Thailand has also cooperated with international organizations in arranging education and vocational training for the refugees while they are waiting to return home.

Dear listeners! The international meeting on the Cambodian problem held in Paris in August opened up an initial avenue for returning the Cambodian refugees as part of a comprehensive political settlement of the Cambodian problem under UN supervision. The repatriation of the Cambodian refugees has to be agreed upon by an interim Cambodian government consisting of four Cambodian factions and the first asylum country. An international mechanism will supervise the repatriation and look after the safety of the Cambodian refugees. "However, as fighting is still continuing in Cambodia, the repatriation of the Cambodian refugees cannot take place because it may be unsafe for the refugees." As a result, the refugees have to continue living in the country and do not know when they can return home. The repatriation of the Cambodian refugees is a problem directly linked to Cambodia's political problem. The refugees will not be able to return home unless the warring parties in Cambodia settle their conflict.

Moreover, some international organizations and friendly countries that have provided assistance to the refugees have begun to reduce their assistance. In April, UNBRO began to reduce its rice ration for the refugees because UNBRO is facing its own budget strain. As a result, Thailand has to shoulder the burden in feeding the refugees. "Due to the political situation in Cambodia, another large number of Cambodian people living along the border are preparing to move for refuge in Thailand with a hope for resettlement in third countries. Or at least, with a hope that they will have a place of refuge with assistance from international organizations."

"If international organizations do not pay attention to the Cambodian refugee problem, then the burden of helping the refugees will inevitably fall on Thailand, the first asylum country. Therefore, we sincerenly appeal to international organizations and friendly countries to continue their assistance for the suffering Cambodian refugees on humanitarian grounds." All countries should help settle the Cambodian refugee problem because it is an international problem, and this will allow the suffering Cambodians to return home safely. In particular, the leaders of all Cambodian factions must be sincere and serious about ending the Cambodian conflict through political means so that a permanent and stable peace can once again prevail in Cambodia before the world public loses interest in the Cambodian refugee problem.

Paper on Failure To End Air Crash 'Scavenging'

BK2905034591 Bangkok BANGKOK POST in English 29 May 91 p 4

[Editorial: "Looting Shows Failure of Crisis Management"]

[Text] The continued failure of responsible authorities to prevent scavenging and theft at accident scenes in Thailand is little short of scandalous. The repulsive pictures and damning accounts of ghoulish souvenir hunters pawing through the Lauda Air crash site have been published around the world and this is bad enough. But worse is the moribund "emergency response" measures our officials keep insisting they have. If ghoulish villagers are a danger to themselves and the emergency at hand—and they are—the administrators who allow them there are worse. The reason why up to 20,000 spectators thronged the crash and morgue sites of the airline disaster and were allowed to trample and steal possibly vital evidence was because of the laggardly atrocious response by authorities.

Local and Border Patrol Police claimed they couldn't stop the body-robbers from pillaging the crash site because they were overwhelmed. This lame excuse from law officers is hardly reassuring. Indeed, the higher police officers who appear to have accepted this pathetic justification from their underlings gives little confidence in the ability of the Police Department to manage a crisis with international ramifications. Police usually have the ability to halt the gathering of an illegal crowd. In the next such emergency, we might suggest to the authorities the closing of roads to public traffic and the cordoning off of the disaster area. Neither was so much as attempted in the immediate aftermath of the airliner crash, or at similar and lesser crises before it.

More than six years ago, authorities were exactly as lax and irresponsible as they appeared to be in Suphan Buri on Monday. Villagers in Phangnga scavenged the site of a Thai Airways Company crash. They made off with, among other spoils, one of the two "black boxes" which all jetliners carry, and which are crucial to determining the cause of such accidents. Although the prised-open flight recorder eventually was recovered in a usable state, that incident reportedly unnerved our authorities to the point where they were studying new emergency response guidelines. The study, apparrently, was still taking place when an Air Vietnam plane crashed north of Bangkok in 1988 and the scavenging was repeated.

At the Suphan Buri crash site, emergency workers themselves were seen moving pieces of wreckage around. Their explanation was that they were looking for victims of the crash. This indicates their lack of training and the failure of their supervisors to learn. Moving wreckage at such a site can ruin an entire investigation, and perhaps put future lives at stake as a result. Po Tek Tung and Ruam Katanyu foundations have come under increased scrutiny from the public in recent years and months. Their untrained, possibly dangerous actions at the Lauda Air crash site are another indication these groups should receive more attention.

And who should pay this attention? Emergency planning in this country is, in large part, abysmal, mainly because of a tendency for good intentions to become ensnarled in time-wasting red tape and bureaucracy. Officials still are pondering whether to give "emergency response" to some of the villagers who have laid claim after being struck by the Typhoon Gay tragedy in the South, over 18 months ago. Police instructors, in several decades of training, stil appear unable to teach their men the simplest forms of crowd control.

The assumption by certain villagers of their right to loot also seems to show some failure on the part of headmen and teachers in those villages—family, school and spiritual. Entire families including children combed the mutilated bodies of the Lauda Air disaster. When teaching at home, in school and at the temple and fail to deter children from theft and respect for the dead, this indicates a massive breakdown in traditional values.

The Government may be unable to change the thinking of the villagers of the country it is sworn to protect, but it certainly can change the manner in which its officials respond to emergencies. Basic crowd control, and official pursuit of thieves and looters are standard police jobs. If the present officials can't handle such ordinary tasks, there undoubtedly are other serving officers who can. Only the Government can deal with this matter, by choosing competent administrators and insisting that emergency and rescue planning be brought up to the standards the nation deserves.

Because of the Lauda Air crash, much of the world has now been informed that Thai villagers seem to be ghoulish scavengers and that the Government and police are apparently incompetent in such an emergency. Will our officials finally take up the challenge of planning for disasters and emergencies? Or will this become another important issue to be handed to a committee and forgotten?

Heroin Found Among Pieces of Lauda Air Plane

AU2805185591 Vienna ORF Teletext in German 1755 GMT 28 May 91

[Text] Among the pieces of the crashed Lauda Boeing large amounts of heroin were found. The Austrian Embassy in Bangkok confirmed relevant reports. A terrorist act against UN drug expert Don Macintosh, who was on board, is not ruled out.

According to the Lauda Air representative in Bangkok, not all pieces of luggage were checked, not even those of the passengers who went on board in Bangkok.

Lauda Air managing director Lenz commented on this: Apart from times of crisis (Gulf war, etcetera) it is "normal" that complete checks of all the luggage are impossible.

Cabinet To Ask CP Group To Accept Compromise

BK2905021191 Bangkok THE NATION in English 29 May 91 p A1

[By Watchara Charunsantikun]

[Text] The Cabinet will ask Charoen Phokkhaphan (CP) Group to accept a concession for 50 percent of a new zoning system for the country's telephone expansion plan, shorten its 25-year term and offer more benefits to the Telephone Organization of Thailand [TOT] in a proposal approved on Monday.

The "compromise offer", proposed by Transport and Communications Minister Nukun Prachuapmo, involves Bangkok and the provinces being divided into zones. The agro-industrial giant would be given the concession to half of the zones and allowed to install three million lines.

One of two options put up to break the impasse over the controversial Bt100 billion [baht] project, it won the consent of Prime Minister Anan Panyarachun and nearly all Cabinet members after an informal but heated debate on Monday, informed sources told THE NATION. The other option was to scrap the deal altogether between CP and the previous administration of Gen Chatchai Chunhawan. Nukun's proposal to split the nationwide concession into zones was put to the Cabinet to prevent a monopoly of telephone services by CP.

The Cabinet also instructed the ministry to open talks with CP on the new offer immediately and expressed the hope of a satisfactory conclusion by the end of this week.

If CP accedes to the Cabinet's request, the TOT will call new bids from other private firms to install an as yet undecided number of phone lines in the remaining half of Bangkok and the provincial areas. In the meantime, the TOT will proceed with its own expansion programme to add 1.8 million lines to the existing 1.5-million-line national network.

The Cabinet on Monday spent two hours debating Nukun's proposal. Nukun said drastic changes to the CP project are necessary to prevent a private monopoly being created by the previous plan which would have involved CP installing all three million phone lines nationwide.

The CP plan, as approved by the previous government, would have also dwarfed the TOT in the future because the state enterprise's efficiency is low. "In the next 3-4 years, CP, if allowed to handle the project around the country, would have become the TOT's chief rival and would virtually have taken over the country's telephone services due to the sheer size of its project and TOT's inefficiency," Nukun told the Cabinet.

To give CP an opportunity to rescue something from its Bt100-billion investment plan, the minister proposed that the government offer half of the Bangkok and provincial zones to the firm, while still allowing it to install three million lines.

A preliminary plan is to divide metropolitan Bangkok into four zones, two of which would be awarded to CP, while the rest of the country would be divided into 10 zones, five of which would be allocated to CP. CP originally planned to install two million lines in Bangkok and one million in the provinces.

The 50-percent offer is one of two alternatives suggested by the minister who said in a letter to the premier that failing to reach agreement on splitting the project would leave the government in the position of having to scrap the CP offer altogether.

Aside from offering half of the areas to CP, the government will also ask the firm to restructure its financial offer to TOT. A high-ranking Cabinet source said the government might propose that net earnings instead of gross revenue be shared between TOT and the private firm.

Multinational Oil Companies To Explore Northeast

BK2905031391 Bangkok BANGKOK POST in English 29 May 91 p 17

[By Bunsong Khositchotthana]

[Text] Multinational oil companies will spend billions of baht in petroleum exploration in northeastern Thailand, which has become a new centre of interest for international hydrocarbons prospectors.

Seven groups of foreign oil companies now were awaiting finalisation of concession agreements with the Department of Mineral Resources before beginning activities which would trigger unprecedented large-scale exploration and development efforts there.

The companies included Los Angeles-based Unocal, France's Total CFP, the Royal Dutch-Shell group and smaller firms like Britain's Croft Exploration Ltd, CTC Minerals Inc of the US and Nomeco Oil and Gas Co of the US.

Through the last licensing round of petroleum concessions, they were offered a total of 18 tracts, covering tens of thousands of square kilometres in the region.

They were commmited to spending more than one billion baht in exploration works over the next three years.

Unocal Siam, another Thai unit of Unocal Corp, planned to spend as much as 750 million baht on works over the next three years to assess the hydrocarbons potential of its four northeastern blocks covering a total area of 9,500 sq km.

Total Exploration & Production Thailand, as local unit of Total, would spend about 250 million baht in seismic and drilling works over the same period.

The amount to be spent by the two Thai units of Royal Dutch/Shell—Thai Shell Ltd and Thai Shell Development—was believed to be substantially more than Total's, given the fact they were given seven concession blocks.

The activites these companies would conduct would revive efforts to explore for hydrocarbons deposts in the northeast, where very little exploration works had been carried out over the past five years.

For years the only active explorer there was Esso Exploration & Production Khorat, a unit of Exxon Corp, which discovered commercial-size natural gas deposits in Khon Kaen.

The Nam Phong field was put onstream last December and was producing about 65 million cubic feet per day (MMcfd) for use as power house fuel.

The northeast posed new prospects for oil companies, which until recently had confined their interests to the Gulf of Thailand, which produced natural gas and condensate, and the Kingdom's northern frontier where crude was produced.

Though the only gas reserves proved so far in Esso Khorat's Nam Phong stood at less than one trillion cubic feet, there was consensus among foreign prospectors that the region had the potential to be gas-prone. They believed there was little chance of finding crude oil deposits.

The areas showing good gas potential lay along the northeastern, northern and southwest areas of the region.

Petroleum Authority Cuts Retail Oil Prices

BK2905031591 Bangkok BANGKOK POST in English 29 May 91 p 17

[Text] The Petroleum Authority of Thailand (PTT) yesterday made its second round of cuts in retail prices of oil products, bringing total reductions to almost the same as those announced on Monday by major oil companies.

Oil companies had lowered their prices in response to partial deregulation of domestic oil prices.

From 10 a.m. yesterday pump prices of all sorts of gasoline, including unleaded, distributed by PTT's 1,034 outlets nationwide were lowered by a further 35 satang a litre, bringing total cuts since 7 p.m. on Monday to 55 satang.

Pump prices of all types of diesel oil were further reduced by 30 satang a litre, bringing total cuts to 45 satang.

As a consequence, retail prices of oil products at PTT's service stations in the Bangkok metropolitan area were: Premium gasoline 9.85 baht per litre; 9.55 baht/l for unleaded; 9.35 baht/l mid-grade gasoline with 87 octane number; 9.15 baht/l for regular gasoline with 83 octane number; 7.75 baht/l for high-speed diesel oil; 7.55 baht for lowspeed diesel and 5.34 baht/l for auto LPG [Liquiped Propane Gas].

PTT yesterday did not make any further cuts in the prices of kerosene and fuel oil and auto LPG since the cuts on Monday already were in line with what was offered by its competitors.

On Monday, the retail price of kerosene came down 20 satang a litre; 15 satang for fuel oil grade 1; 10 satang for fuel oil grade 2; 8 satang for fuel oil grade 3; 7 satang for fuel oil grade 4 and 10 satang for auto LPG.

PTT said yesterday it intended to further reduce retail oil prices at a later date.

So far, all major oil companies, except Caltex Oil (Thailand), had announced price cuts.

Meanwhile, Bangchak Petroleum Co (BCP), the state-owned oil refinery, yesterday announced that Benjamas Co, Tawan Siam Co and Siam Nokmai Co, distributors of Bangchak oil products, had reduced prices of premium and unleaded gasoline at their stations in Lampang, Kalasin and Khon Kaen by 60 satang a litre.

Third Army Asked To Repulse Burmese Rebels

BK2505024891 Bangkok BANGKOK POST in English 25 May 91 p 2

[Excerpt] Mae Hong Son—The provincial authority has asked the Third Army to send troops to repulse a pocket of armed Burmese minority rebels who have occupied a Thai border village in Khun Yuam District.

A unit of Thai Border Patrol Police [BPP] discovered the intrusion when investigating a report that a group of people had removed a border demarcation post at Ban Huay Ton Nun and re-erected it several kilometres inside Thailand.

Police sources said the BPP unit found the minority rebels at the village where the demarcation post had been moved.

They said the governor of Mae Hong Son Chanchai Chaisai had asked the Third Army to send reinforcements to support the BPP in a drive to dislodge the group from Thai territory.

The demarcation post at Ban Huay Ton Nun was believed to have been moved deeper inside Thai territory in the hope of cutting Thai teak trees while claiming it was Burmese timber, the sources said.

It was suspected that the minority rebels might have received encouragement from another group to settle at the village in an attempt to make Thai officials believe that it was Burmese territory, the sources said. [passage omitted]

Vietnam

U.S. Citizen Expelled for Antistate Activities

BK3005065291 Hanoi VNA in English 0638 GMT 30 May 91

[Text] Hanoi VNA May 30—Bui Duy Tam, an American national of Vietnamese origin entered Vietnam as tourist in March 1991 to smuggle into the country documents against the Vietnamese state. He also contacted many persons including Duong Thu Huong to collect anti-Vietnamese writings and information about internal secrets.

Bui Duy Tam was arrested with tangible evidence of his law-breaking activities. He pleaded guilty and asked for leniency.

Proceeding from the Vietnamese state's humane policy, the immigration department of the Ministry of the Interior on May 30, 1991 ordered his expulsion from Vietnam.

Scientific Cooperation With Soviets Hailed

BK2905143591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 May 91

[NHAN DAN 25 May article by Professor Nguyen Van Dao, deputy director and general secretary of the Vietnam Institute of Sciences: "30 Years of Vietnamese-Soviet Scientific Cooperation"]

[Summary] "The first Vietnamese-Soviet scientific cooperation protocol was signed in Moscow on 26 May 1961 between the USSR Academy of Sciences and the Vietnam Institute of Sciences. This historic event marked the first important step in the scientific cooperation between the two countries."

Over the past 30 years the Soviet Union has created favorable conditions for Vietnam to implement various scientific cooperation programs and accelerate its scientific development step-by-step. The Soviet Academy of Sciences has helped Vietnam train hundreds of highly qualified Vietnamese scientists and has accepted large numbers of trainees and postgraduates for research and training at major research centers and universities in the Soviet Union.

The academy has also helped Vietnam build many material and technical bases in support of scientific and technological development and has supplied our country with large quantities of scientific equipment.

Thanks to the joint efforts of Vietnamese and Soviet scientists, many research projects have brought about concrete results. As examples, we can cite the joint Soviet-Vietnamese space flight in 1980 and the completion of various oceanographic, ecological, and geological research projects in the past several decades.

Over the past few years, in the ecological and biological domains, Vietnamese and Soviet scientists have made thorough studies of Vietnam's tropical forests and marine resources and have published special research documents to substantiate their findings. They have also suggested ways to preserve endangered species and natural resources in the western highlands.

In the archeological and geological fields, Vietnamese and Soviet scientists have completed a collection of more than 50 maps containing hydrogeological and geophysical facts about Vietnam's continental shelves. They have also studied the laws governing the formation of useful minerals by lava in Vietnam and have discovered a rare and precious metal in northern Vietnam.

In addition, the Soviet Academy of Sciences and the Vietnam Institute of Sciences have conducted different joint research projects in physics, chemistry, and mathematics.

The outstanding features of the Vietnamese-Soviet scientific cooperation lie in the effectiveness and diversity of cooperation programs and activities. For example, direct cooperation has been achieved by Soviet and

Vietnamese research centers and institutes. Particularly, great attention has been attached to equipment and technology exchanges. Many Vietnamese scientists have been invited to join the editorial staffs of noted Soviet journals and magazines or to attend symposiums in the Soviet Union.

For our scientists, the recent promulgation of Political Bureau Resolution No. 26 on the role of science and technology in the renovation process is of great importance. The resolution maintains that as far as Vietnam is concerned, since the 6th Party Congress science and technology have continued to develop and affect everyday life and business and production operations. Many advanced technological innovations have been applied to agriculture, industry, building, communications and transportation, education, and public health care services.

Undoubtedly, the rapid growth of our science and technology must be credited to the close cooperation and great assistance of Soviet scientific organizations and universities.

"Marking the 30th anniversary of Vietnamese-Soviet scientific cooperation, we express our sincere gratitude to the Soviet Communist Party, government, and scientists for their concern for scientific and technological development in Vietnam. We are convinced that the Soviet people and scientists will overcome the present difficult situation and continue to lead their country forward and maintain their leading role in many important scientific and technological domains."

World Assembly Group on Enterprises Visits

BK2805074991 Hanoi VNA in English 0632 GMT 28 May 91

[Text] Hanoi VNA May 28—Mr. Cmekradhari Agrawal, secretary general of the World Assembly of Small and Medium Enterprises (WASME) and Mr. K.L. Dalal, senior economic advisor to WASME paid a working visit to Vietnam from May 22-26, 1991.

The WASME officials had working sessions with the central council of the Vietnam Industrial Cooperatives and Non-Government Industrial Enterprises, and the Ministries of Communications and Transport, Posts and Foreign Affairs. It visited a number of economic and cultural establishments in Hanoi and Ho Chi Minh City.

A memorandum of understanding on the results of the visit was signed here on May 24 by President of the Central Council Nguyen Chi Vu and Secretary General Chakradhari Agrawal.

Under this document, from now to 1992, WASME will boost up its cooperation with and assistance to Vietnam on economic-technical information, exchanges of experiences and support for technological transfer. WASME will join Vietnam in accelerating business activities (including export and import) on the basis of mutual interests, organizing and taking part in exhibitions, fairs and consultative conferences, etc.

WASME will also invite vietnameese experts, businessmen, and professionals to attend training courses and seminars, grant scholarships to study in its member countries and help build a small industrial centre in Hanoi.

Over 100 Agreements Signed at Export-Import Fair

BK2605091091 Hanoi VNA in English 0551 GMT 26 May 91

[Text] Hanoi VNA May 26—More than 100 economic agreements and memoranda of understanding have been concluded between Vietnamese and foreign companies during the Vietnam exports-imports fair-91 which was concluded here Friday.

A number of contracts have also been signed, the most notable are a 1.6-billion Vietnam dong export contract won by the food company of Ho Chi Minh City, and some contracts each worth several hundreds of thousands of US dollars to export and exhcange products won by Da Lan, a private toothpaste company, Bitis, a private footwear company, etc. A number of Vietnamese companies have been invited to visit some Chinese companies to study possibilities of long-term partnership.

Nguyen Huu Tho Visits Duc Tan Tile Enterprise

BK2905161991 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 27 May 91

[Text] On 24 April [as heard], Comrade Nguyen Huu Tho, vice chairman of the Council of State, visited the Duc Tan Flower Tile Enterprise in Ho Chi Minh City. Comrade Nguyen Thi Nu, manager of the enterprise, reported to the vice chairman on the developing process and the production results in 1990 and the first quarter of 1991. The changing of the enterprise from a joint state and private enterprise to a shared enterprise in which the enterprise workers hold 26 percent of the shares is a suitable step in the new production situation.

Comrade Nguyen Huu Tho attentively inquired about the workers's health, and living and working conditions and met the outstanding workers of the enterprise. He highly valued the results achieved by the management, cadres, and workers of the Duc Tan Flower Tile Enterprise in terms of production stabilization and development. He expressed the wish that the enterprise will overcome difficulties to successfully complete the 1991 production plan.

Conference on Fighting Corruption, Smuggling

BK2505115391 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 May 91

[Text] The council of ministers recently held a conference in Ho Chi Minh City to assess the results of implementing directives on fighting corruption and smuggling in the Southern provinces and to discuss measures to carry out this task in the future. Comrade Vo Van Kiet, vice-chairman of the council of ministers, presided over the conference.

The struggle against corruption and smuggling in the Southern provinces has recently scored some initial results of economic and political significance. The first reports indicated that inspecting and controlling units have detected that the lost assets amounted to nearly 300 billion Dong and some 240 Troy ounces of gold. Many major cases of negativism have been forwarded to legal agencies for trial and prosecution. This has helped prevent crimes and restore discipline. Typical were the cases of Thanh Huong perfume factory, fake bank notes in Tan Binh, and smuggling in Kien Giang province.

Noteworthy was that the struggle against smuggling has resulted in reducing cases of impersonating state-run economic organizations to smuggle or protect dishonest traders and engage in undercover dealings with them to do illicit businesses. Many agencies and mass organizations have reorganized or disbanded their economic units. The defense ministry has adopted measures to reorganize the management of military economic-building units and to control transportation and storage facilities in order to prevent abuses.

The intensification of managerial control over exports and imports to fight contrabands has created conditions for some domestic production sectors to restore and develop their businesses. Localities have handled 30,000 cases of smuggling and illicit businesses, recovering more than 100 billion Dong for the state budget in 1990 and more than 30 billion Dong in the first quarter of this year. Smugglers can no longer rule the roost in defiance of law. Security and order in the seas and along the border has been restored for the first time.

However, shortcomings are still noted in the struggle against corruption and smuggling. The trial of many pressing cases of negativism has been delayed and prolonged. Cases of coercion still prevail, causing laxity in law enforcement. Many cases that should have been taken before the law were dealt with administratively. Although cases of smuggling have been reduced, they still prevail. Some mechanisms and policies are still irrational, creating a fulcrum for some organizations and individuals to do illicit businesses and cheat and evade taxes. In leadership, guidance has not been issued regularly and continuously and has not been welcomed by large numbers of people.

Addressing the conference, Comrade Vo Van Kiet stressed the measures to be taken in the near future. He requested local authorities to resolutely, regularly, and correctly perform their function of state management in dealing with violations, without sparing any organization or individual. Regarding those cases that have been handled loosely, they must be tried again. At the same time, action must be accelerated to deal quickly with those outstanding cases.

With respect to anti-smuggling tasks, the customs, border defense force, troops, market-management units, and public security force must coordinate closely with local authorities to study the best preventive measures. The smuggling ringleaders must be arrested by all means and their dens must be detected. At the same time, policies must be formulated to create jobs for those who have served as tools for smugglers.

In the struggle against smuggling, attention must be paid to fighting forgery, especially counterfeit bank notes and fake medicines and soft drinks. Regarding cigarettes, along with resolutely opposing the importing of foreign cigarettes, we must organize domestic production well to meet market demands.

Comrade Vo Van Kiet also charged the finance sector with studying appropriate policies to ensure good anti-smuggling operations and encourage organizations and individuals to participate in these operations.

Communique on Central Committee's 12th Plenum

BK2905115991 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 29 May 91

[Apparent text of communique of the 12th Plenum of the sixth CPV [Communist Party of Vietnam] Central Committee]

[Text] The 12th Plenum of the Communist Party of Vietnam's [CPV] sixth Central Committee was held from 18 to 29 May 1991 in Hanoi to discuss the preparations for the seventh national congress of party delegates.

Comrade Nguyen Van Linh delivered important opening and closing speeches at the plenum. The plenum noted that in the past several months party organizations at all levels and the entire people have heatedly debated and contributed many views to the draft documents of the seventh party congress. This is a broad and major political drive under which large numbers of party members, cadres, combatants and the people countrywide and many overseas Vietnamese have contributed their fruitful views in many forms.

That all the party members and people have eagerly built the documents of the Seventh National CPV Congress has reflected the political maturity and deep concern of our party members and people for the country's fate and great intellectual potential as well as asserted the political unity in the party, between the party and the people, and the unshakable determination of our people to continually accelerate the renovation process along the socialist path.

The sixth party Central Committee warmly welcomed and sincerely thanked the old comrade revolutionaries, the collectives and individuals in the party and among the people, and compatriots of all circles at home and abroad for having contributed heartfelt views to building the seventh party congress documents.

On the basis of generally summarizing the views of the firstround party organization congresses at all levels and the suggestions of the people to the draft documents, the sixth party Central Committee's 12th plenum discussed and accepted the various views, compiled the various texts, and unanimously approved the following documents to be presented at the seventh national party congress: —The Draft Platform for National Construction in the Period of Transition to Socialism;

—The Draft Strategy of Socioeconomic Stabilization and Development Until the Year 2,000;
—The Political Report of the Sixth Party Central Committee;
—The Report on Party Building and Amendments to the Party Statutes; and
—The Draft Amended Party Statutes.

The ideas, viewpoints, positions, and policies in the aforementioned documents reflect the party's resolution to carry on comprehensive renovation, mobilize all party members and people to uphold self-reliance in thriftily building and defending the country, and at the same time, expand relations with countries in the world in the interests of peace, friendship, cooperation, and development.

The sixth party Central Committee's 12th plenum decided to hold the seventh national congress of party delegates from 24 to 27 June 1991 in Hanoi. The twelfth plenum asserted that the seventh party congress—a congress of renovation, democracy, discipline, and solidarity where the people's intelligence is manifest—is of paramount significance to the renovation process in our country and to the development of the country in the five years from 1991 to 1995 and also the subsequent years.

The sixth party Central Committee's 12th plenum called on all our party members, people, and troops to unite their hearts and minds around the party Central Committee, steadily advance to the seventh party congress, promote the positive factors, struggle against negative actions, satisfactorily resolve pressing socioeconomic problems, and ensure fine success for the seventh party congress.

Paper Welcomes Success of 12th Party Plenum

BK3005034091 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 29 May 91

[30 May NHAN DAN editorial: "With Unity of Mind, Let Us Steadily Advance Toward the Seventh Party Congress"]

[Text] The sixth party Central Committee's 12th plenum has been successfully concluded. With a high identity of views, it approved many documents to be presented at the seventh party congress. These include the drafts of the socioeconomic strategy, of the political report, and of the report on party building, on the revision of party statutes, and on the revised party statutes.

Never before has the preparation of documents for a party congress been so enthusiastically participated in by such a large number of people as this time. Within a few months, the solicitation of views on these documents became a truly widespread democratic political drive attracting over 80 percent of party members nationwide, over 600 veteran revolutionaries, thousands of scientists, notables, and intellectuals, and millions of members of youth unions and mass organizations, and countless compatriots of various strata at home and Vietnamese nationals now living and working abroad.

There were many diverse forms through which the people contributed their views such as conferences, seminars, expression of views through mass media or though letter writing, and responsible leaders holding direct meetings with the people. The party Central Committee has received hundreds of letters hailing our party for its democratic policy and contributing views to formulating the various documents of the congress.

The political maturity, profound concern for the destiny of the country, and the huge latent potential in prowess of party cadres and members and of a large number of the people were important factors in the drive to contribute views to formulating the various documents of the congress.

The absolute majority of the people basically agreed with and contributed to supplementing, amending, and improving the quality of the various draft documents. There are views that, though widely differing in the manner of presentation, must be studied for rational application. As for those views that are foreign to our party and people, it can be said that such views are very few.

The results of the recent political drive testified to the political unity within the party and between the party and the people and attested to the correctness of our renovation undertaking and to the unshakable determination of our people to pursue the socialist path under party leadership. The strength of the entire party and people was crystalized in various documents recently approved at the party Central Committee's 12th plenum.

The concepts, views, and policy lines in these documents demonstrate our party's determination to carry on the renovation undertaking in all respects and to motivate the entire party and people to uphold their sense of self reliance and to be economical in building and defending the country while broadening relations with other countries in the world in the interests of peace, friendship, cooperation, and development.

The seventh party congress, as decided by the party Central Committee, will be held 24-27 June 1991. This is a congress of strength, renovation, democracy, discipline, and unity. The congress is of great significance for the renovation undertaking in our country and for the country's development during the five-year (1991-95) period and also during ensuing years.

Although there is not much time left between now and the congress, there are many urgent things to be done during the period ahead. First, we should finalize all the preparations for the congress, both substantially and organizationally, in order to ensure its success right from the outset. Second, we should continue to implement effective measures aimed at solving various unexpected socioeconomic problems and other newly-arisen problems in order to ensure the maintenance of political security and public order and safety and to create a favorable atmosphere for the seventh party congress. Third, we should prepare in advance materials connected with the second round of party congresses at various levels so that we can, after the seventh national party congress and the national assembly session, go ahead with holding these congresses, thus making it possible for the resolutions of the seventh party congress to promptly be put into action.

The success of the party Central Committee's 12th plenum serves as a strong encouragement for us. In response to the party Central Committee's appeal, let our entire party, people, and army uanimously unite around the party Central Committee, steadily advance to the seventh party congress, develop positive factors, struggle against negative actions, and satisfactorily solve urgent socioeconomic problems so as to ensure the fine success of the seventh party congress.

Provinces Continue To Hold Party Congresses

Cao Bang, Cuu Long

BK2605153391 Hanoi NHAN DAN in Vietnamese 4 May 91 pp 1, 4

[Text] The 13th congress of the Cao Bang provincial party organization was held from 26 to 29 April. During the congress, delegates not only discussed the six issues set forth by the provincial party committee, but also continued to debate on many other issues. The issue that was debated most extensively was the content of the strategy for socioeconomic development in the midland and mountainous regions. All the delegates unanimously suggested that the issue of socioeconomic development in the mountainous region should be kept apart from that in the midland region. They also suggested that the problem of the mountainous region should be solved on the basis of considering it as one that involves a collective component of Vietnamese nationalities with extremely important strategic positions and not merely as one that involves the life of the people of various ethnic minority groups on high mountains, which remains difficult and undeveloped. Many delegates said: Although the mountainous region does not ask for a favor in return for its services as a revolutionary base for national liberation and defense in the past, adequate attention must be paid to its strategic position. The task of building and developing the mountainous region belongs, first of all, to the people of various ethnic minority groups in the region itself. However, due to existing geographical and historical difficulties, this region needs assistance from the entire country. To invest in the mountainous region, we not only help it overcome difficulties in its daily life, but also enable it to stabilize and develop itself.

The congress elected 16 delegates to the seventh party congress and passed a work program for the provincial party organization from now until its second-round congress.

The Cuu Long provincial party organization held its fifth congress from 25 to 27 April. At the congress, many views were expounded and heatedly debated by the delegates who, finally, voted with a high degree of unanimity in favor of the platform for national construction during the period of transition. As a province with a large number of compatriots of Khmer nationality, many delegates pointed out the need for the party to formulate policies on nationalities that can be adopted comprehensively under its guidance. Efforts have been exerted by Cuu Long Province to care for the livelihood of the people of Khmer nationality. However, the province still encounters numerous economic difficulties and suffers a budgetary deficit. Meanwhile, its investment in the areas inhabited by the people of various ehnic minority groups still cannot effect considerable changes. Delegates of Khmer nationality suggested that more concrete policies be enforced by the party to preserve and develop the Khmer culture, such as the network of temples which are not only places for religious activities but are also schools teaching Khmer language, customs, and culture to children. It is necessary to have separate schools for children of various ethnic minority groups under a special program in order to create favorable conditions for them to catch up with the country's common standard of knowledge.

Finally, the issue of investment in the Mekong river delta was discussed extensively. Apart from laying stress on the economic position and potential of this region, the congress pointed out the need for the party Central Committee to formulate policies for investing capital appropriately or in accordance with the need to regulate budgets, saying that this is the region that can quickly bring about profitable results.

The congress elected a 14-member delegation to the seventh party congress.

Kien Giang

BK2605102991 Hanoi NHAN DAN in Vietnamese 7 May 91 pp 1, 4

[Report on first round of fifth party organization congress held in Kien Giang Province]

[Text] In Kien Giang Province, the first round of the fifth party organization congress took place from 24 to 26 April.

The congress expressed great unanimity of views over the following important issues mentioned in the draft documents of the seventh party congress: the contradictions of the era and the inevitable need for our country to advance to socialism; the contradictions, principles, and objectives to be fulfilled in the initial stage of the transition period; some concrete problems concerning domestic and foreign policies; party-building work and party statutes; and so forth. Thanks to their strongpoints in aquaculture and agricultural production, the local party organization and people have scored many achievements in socioeconomic stabilization and development.

However, a gap still exists between actual achievements and latent potential. Many delegates stressed that based on the party's correct renovative line, it is necessary to pay greater attention to agriculture, peasants, and the countryside by making priority investment in these areas, considering them as a means of "leverage" for guaranteeing socioeconomic stabilization and development. Regarding party-building work, some delegates pointed out that in some localities, particularly in grassroots party organizations, the quality of party members has deteriorated and failed to meet set requirements. They maintained that for the party to firmly maintain its leadership, it is necessary to resolutely and promptly expel all those degenerate and deviant party members who have caused the party to lose its prestige. At the same time, it is important to admit fully capable individuals and people of good revolutionary quality to the party and accelerate the anti-corruption campaign.

Based on the facts about local socioeconomic developments, the delegates stressed the need for the party and state to allow peasants to use land on a long-term basis so that they can enjoy peace of mind while engaging in production. Regarding national financial management, along with applying a uniform management system, the state should effect appropriate and fair distribution of funds among the various provinces and cities and should pay attention to budget allocations for village-level organizations. Regarding the law on agricultural taxes, it is advisable to amend and make public the laws on land use and commodity taxes, bearing in mind the need to combine these two taxes to keep them below the current tax brackets. Moreover, the state should promptly improve the wage system to help stabilize the living conditions of workers and state employees. Based on the important role and great potential of a coastal province, the delegates also unanimously proposed that the party Central Committee promptly define the geographical locations and development of Phu Quoc Island District and/or the Phu Quoc-Ha Tien area and the Phu Quoc-Kien Hai-Ha Tien area into special economic sectors, thus creating conditions for investment and exploitation aimed at supporting central and local economic development programs.

The congress also elected 13 delegates to the seventh national party congress.

Phu Yen, An Giang, Tien Giang

BK2505083791 Hanoi NHAN DAN in Vietnamese 1 May 91, pp 1,4

[Report on first round party organization congresses held by Phu Yen, An Giang, and Tien Giang Provinces]

[Text] From 23 to 26 April, the congress of Phu Yen provincial party organization concentrated on discussing the 12 issues on which differing views were still held. The congress reached a high degree of identical views on the formulation of the platform and the persistent advance to socialism. Concerning the mistakes of the party, some delegates held that the most serious ones involved the organizational and cadre tasks. The congress devoted a great amount of time to discussing the socioeconomic objectives related to the characteristics of a central coast province that has both plains and mountainous regions where heavy consequences of war have not been overcome. Many delegates suggested that the party and state should pay more attention to the consolidation of agricultural cooperatives and the peasants' right to use land and ricefields. However, onwership of land and ricefields, especially those being cultivated, can not be transferred.

The congress elected 13 delegates to the seventh party congress.

The fifth congress of An Giang provincial party organization was held from 25 to 27 April and reached a high degree of identical views on the viewpoints and basic principles which were presented in the draft documents. Many delegates suggested that the platform be called "Platform for National Construction Pending the Period of Transition to Socialism." Nearly all the delegates focused on debating the issues of agriculture, rural areas, structures of investment in targeted areas of agricultural and goods production, and policies of insurance for peasants. With respect to the political system, many delegates proposed to determine districts as an intermediary level and on this basis rearrange and streamline the machineries of the party, state, and mass organizations.

An Giang province's delegation to the seventh national party congress consists of 14 members.

At the fifth party organization congress of Tien Giang province, many delegates held that the draft political report was actually a general summary of realities in the renovation process over the past four years. Many delegates mentioned the policy toward agriculture, aiming to stabilize and develop the socioeconomic situation in the next five years. Leadership should be concentrated on the issues of taxes, storage of supplies, consumer markets, agricultural incentives and support, and right to own land and ricefields.

The congress elected 15 delegates to the seventh national party congress.

Thua Thien-Hue

BK2505074891 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 May 91

[Article by Phuong Dang and Dien An: Thua Thien-Hue Radio Station Correspondents]

[Text] One of six issues passed by 301 delegates of the Thua Thien-Hue first round party congress in the first round of the 1991-1995 period to submit to the national congress is the requirement to place Hue in one of the national economic strategic centers of the country.

When discussing economic structures, some delegates suggested that Hue be defined as one of the important places in the socioeconomic development strategy so it can work together with Da Nang to form a cultural, scientific, and technological center in Central Vietnam with the support of the whole country and with the investment from foreign sources so it can actively contribute to the national economic, cultural, scientific, and technological development undertaking.

After 30 years of heavy devastation by war and only 16 years of liberation, the party committee and the people of Thua Thien-Hue has been striving to build an ever better province with the help of the central level, friends in the country and in the world, and with help from other provinces.

Today, Hue has Thuan An Bridge which links Hue with 12 villages of Dam Xa area, the coast, and two lagoons and Hue has a No. 2 Bridge in the areas of Phu Vang, Hung Thuy, and Phu Loc.

Hue is rebuilding Route No. 12 which connects Hue with A Luoi District, a former revolutionary base. Thua Thien-Hue has a well-known tourist resort in Bach Ma which has been neglected and the area has become isolated. It also has beautiful Lang Co Beach and Xang Swamp which stretches for dozens of kilometers with great potential in sea products such as: shrimp, fish, squid, and seaweed.

The southeastern area of Thua Thien-Hue is an ideal area for short-term and long-term industrial trees. The mountainous areas of the province are not only rich in forest products but also in mineral resources with metals and rare chemicals. The coast, apart from sea products and special local aquatic products, also has oil reserve in the outer area which is being exploited. The province also has tourist attractions with Nguyen Dynasties relics and many beautiful scenes. It has Thuan An river mouth, Tan My port, Phu Bai airport, and Dong Ba market which are centers of goods circulation for the whole nation.

In the planned activities of the provincial party committee and in the 1991 socioeconomic plan, three main jobs needed to be successfully completed in the area: Huong Giang 2 Hotel, first stage of Hue-A Luoi passenger bus service, and 25-kilovoltage transformer station Hue-Phu Loc.

About the definition of Hue position in the country, 100 percent of the delegates showed their determination in building the country with all their efforts to lift the area to its deserved position in Vietnam history, a national economic, cultural, scientific, and technological center.

The Thua Thien-Hue party congress also voted on five other issues:

1. The name of the platform: 282 voted for the name as called by the draft platform. That is the "Platform on Socialist Construction in the Transitional Period." Seventeen delegates suggested the name as the "Platform on National Construction in the Transitional Period Advancing to Socialism." One delegate suggested the name as the "Platform on Socialist Revolution in the Transitional Period."

2. The basis of contradictions of Vietnamese society in the transitional period advancing to socialism: 269 delegates agreed on the issue as mentioned in the draft document. Thirty delegates suggested the name as contradictions between two paths. One delegate suggested as contradictions between positive, progressive factors and negative, backward factors of the small production economy and other forces which are obstructing the advancement path to socialism.

3. The transfer of the right to use of land: 290 delegates voted for the right to transfer land ownership as mentioned in the draft political report, for the definition of long-term right of land ownership, and for gradual implementation of the right to use of land of peasants wherever possible according to the national instruction and guidelines. Five delegates voted against the transfer of land ownership rights.

4. The political vanguardism of the party: More than 290 delegates suggested that a regulation be written in stating that the Communist Party of Vietnam is the political vanguard of the worker class.

5. The conduct of private business of party members: 288 delegates were in agreement with the suggestion to allow party members to conduct private economic business as long as they comply with the state laws and regulations of the party. Eight delegates voted against the suggestion.

Besides, the delegates also suggested that the provincial representatives at the coming national party congress report to the congress on some local urgent issues such as: the administrative organization at all levels; industrialization and local industry; development investment in the mountainous areas and former revolutionary bases; investment for education, health, and other social services; employment for the youths and consequently for all people.

The Thua Thien-Hue first round party congress in the first round of the 1991-1995 period concluded successfully, showing a high sense of responsibility of delegates who concentrated their intelligent, developed democracy, and being honest and united to contribute many opinions to the draft party documents.

Australia

Minister Announces Military Reorganization

BK3005083791 Melbourne Radio Australia in English 0800 GMT 30 May 91

[Text] Australia's defense miniser, Robert Ray, has announced the country's biggest military reorganization since Australia's participation in the Vietnman war ended 20 years ago. The main thrust of reorganization is to save Australia $2 billion over 10 years by cutting 10,000 full time service personnel and nearly 4,000 civilians.

Senator Ray told Parliament in Canberra that most job cuts would be in base support areas where many functions will be taken over by civilian contractors. The savings will be used to create a new 4,000-strong reserve force to be known as the Ready Reserve.

Treasurer Predicts Budget Deficit, Unemployment

BK3005100891 Hong Kong AFP in English 0937 GMT 30 May 91

[Text] Sydney, May 30 (AFP)—Treasurer Paul Keating forecast Thursday a four billion Australian dollar (three billion U.S.) budget deficit for the next financial year, the country's first shortfall in five years.

Mr. Keating said in a statement that inflation of about four per cent was possible next year while economic growth would reach 3.75 per cent during the 12 months to June 30, 1992.

Inflation now stands at 4.9 per cent while figures out Thursday showed Australia's gross domestic product (GDP) rose by 0.1 per cent in the March quarter, but fell 1.5 per cent in the year to March 31.

Net foreign debt rose to 133.5 billion dollars (101.4 billion U.S.) in the March quarter from 130.2 billion dollars (99 billion U.S.) in the December quarter.

This year's budget surplus was likely to be two billion dollars (1.5 billion U.S.) compared to last year's surplus of eight billion dollars (six billion U.S.).

Australia has not run a budget deficit since 1986-87.

The treasurer released preliminary budget forecasts ahead of Friday's meeting of state leaders to discuss the allocation of federal funds, saying the premiers' conference came at "an unusually critical turning point" for the economy.

"It is a time when we have greatly strengthened our balance of payments and begun the task of producing a sustained surplus of exports over imports to meet the interests on our accumulated debt," he said.

Mr. Keating said Australia was "beginning to make the transition from an economy with inflation persistently higher than our trading partners, to one where inflation is below the OECD (Organization for Economic Cooperation and Development) average.

"We are beginning to make the transition from contracting output and declining employment to steadily expanding output and employment," he said.

This year's current account deficit would be within the budget target of 18 billion dollars (14 billion U.S.), he said.

In the nine months to March 31, the current account deficit fell to 13.4 billion dollars (10.2 billion U.S.), 24 per cent below the corresponding previous period.

Mr. Keating said that although the economy was expanding, unemployment, currently at an eight-year high of 9.9 per cent, would peak at 10.75 per cent this year.

The treasurer said Thursday's GDP figures had encouraging signs for growth.

"The economy is now moving into the recovery phase of the cycle," Mr. Keating said.

Economists however said the GDP figure indicated the nation's recession was continuing.

"Household spending and business spending is still extremely weak," Stephen Miller, an economist at Bankers Trust Australia, said. "There is no sign of a recovery as far as the domestic economy is concerned."

Tuvalu Prime Minister's Labor Request Denied

BK2805073491 Melbourne Radio Australia in English 0500 GMT 28 May 91

[Text] Australia says it will not give the tiny South Pacific nation of Tuvalu any preferential immigration treatment. The prime minister of Tuvalu, Bikenibeu Paenui, last month asked Australia to take on up to 200 guest workers from Tuvalu.

The leader of the tiny South Pacific nation speaking on his first official visit to Australia said the revenues from the workers would greatly benefit his nation's economy.

Australia's Foreign Affairs Office said taking the guest workers would go against Australia's non-discriminatory worldwide policy. However, Australia did tell Prime Minister Paenui that it would look at Tuvalu's economic development needs, particularly through training programs.

Australia is now waiting for Tuvalu to advise on its economic priorities.

Wheat Farmers Warned About Losses

BK2905100491 Hong Kong AFP in English 0836 GMT 29 May 91

[Text] Sydney, May 29 (AFP)—Wheat farmers were warned Wednesday they face multi-million dollar losses because Australia has been locked into a decision by Western countries to reward Egypt financially for its role in the Gulf war.

The powerful "Paris Club" of 17 Western nations owed 20 billion U.S. dollars by Egypt decided at the weekend to write off half the debt, including more than 220 million Australian dollars (167 million U.S.) to Australian wheat growers. Although not officially announced, the move has been widely reported in the United States and elsewhere.

The move was condemned Wednesday by Australian Wheat Board (AWB) Managing Director John Lawrenson, who described it as a political gesture which did not reflect Egypt's ability or willingness to repay its debt. The board and the wheatgrowers it represents are concerned because they believe Egypt had no special desire nor need to avoid its debt to Australia. They are also concerned about the move coming at the worst possible time for the severely depressed wheat industry.

Mr. Lawrenson said he believed the Australian Government had opposed the decision and he was "extremely disappointed at the outcome." The board believed the decision was a political one made in recognition of the role played by Egypt in the Middle East.

He warned it would cost Australian wheatgrowers 25 million dollars (19 million U.S.) and mean waiting longer for another 25 million dollars.

As far as Australia is concerned, the decision affected 445 million dollars (340 million U.S.) in debts, payment of which had already been rescheduled in 1986. The decision by the Paris Club forgives Egypt 50 per cent of the debt and further extends the period of repayment of the remainder, Mr. Lawrenson said.

"Part of this represents a loss to the Australian Government which had insured 85 to 90 per cent of the credit risk and the rest represents a direct loss to Australian wheat growers who carried the remaining credit risk." He said the board did not believe the decision was a true indication of Egypt's ability to honour its debts.

Mr. Lawrenson said when full details of the decision were known the AWB would seek assurances from the Australian Government that wheatgrowers would not be expected to bear the burden of the political gesture.

"Egypt has in the past proved just how highly it values Australian wheat by according payments to the AWB a very high national priority. I'm convinced that without the intervention of the Paris Club, the Egyptians would have continued to honour their repayment program to the AWB." Egypt, he said, had been a buyer of more than 1.5 million tonnes of wheat annually from Australia for 10 years and a significant customer for 30 years.

Trade Negotiations Minister Neal Blewett told journalists in Canberra that Australia had reluctantly agreed to requests from the Paris Club to forgo payment of 200 million dollars in interest on Australian wheat purchases. But he said the write-off would be over 25 years and the deal could allow Egypt to increase purchases of Australian wheat. Phased out over a 25 year period, it would probably cost about 15 million dollars over the first three years, he said.

New Zealand

French South Pacific Nuclear Test Detected

BK3005011291 Hong Kong AFP in English 2354 GMT 29 May 91

[Text] Wellington, May 30 (AFP)—France has conducted one of its largest ever underground nuclear tests in the South Pacific, New Zealand's Department of Scientific and Industrial Research said in a statement Thursday.

The department's seismological observatory in Rarotonga, Cook Islands, detected the explosion in the Tuamotu Archipelago. It said it believed the test was at Fangataufa rather than the usual testing site of Mururoa.

It estimated the yield at 110 kilotons. The test occured at 9:00 A.M. French Polynesian time (1900 GMT Wednesday).

"This is the third explosion this year and one of the largest since the underground testing programme began in 1975," the department said.

"Last November 14 there was a test which was estimated on the basis of the Rarotonga recording to be 120 kilotons, but these yields are always very approximate."

The Australian Government's seismological centre in Canberra confirmed that an explosion occurred at 1900 GMT Wednesday at Fangataufa.

"We estimate its yield at between 20 and 80 kilotons and its magnitude at 5.7 on the Richter Scale," Chief Seismologist Ken Muirhead said.

Discrepancies sometimes occur in estimates of the size of explosions because the seismic signal takes different paths through the earth's crust from the site of the blast to the various observatories.

Mr. Muirhead said that the explosion was the third this year at the French Pacific site and the first at Fangataufa.

PRC Vice Trade Minister Advocates Stronger Ties

BK2905072891 Hong Kong AFP in English 0614 GMT 29 May 91

[Text] Wellington, May 29 (AFP)—China's economy is rapidly coming out of recession and its annual Gross National Product growth rate for the next five years could average six per cent, China's Vice Trade Minister Tong Zhiguang [name and title as received] said here Wednesday.

On a 10-day visit to New Zealand, Mr. Tong said there was concern in China that the economy might grow too fast and overheat.

He also said China wants New Zealand to buy more of its electronic goods and household appliances.

China was anxious to look at more trade and investment opportunities in New Zealand, Mr. Tong told parliament's Foreign Affairs and Defence Select Committee.

There should be less concern with the balance of trade between New Zealand and China and more effort put into building total volume, he said.

Trade, economic and political relations were already "very smooth and normal," but China is keen to cement stronger ties with New Zealand, he added.